

THE HUNGARIAN THREE YEAR PLAN

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I n t r o d u c t i o n

Economic planning has been gaining ground in post-war Europe with considerable rapidity. Apart from the Soviet Union, where it was adopted already twenty years ago, Yugoslavia, Bulgaria, Czechoslovakia and Poland have switched over to planned economy and France is about to follow suit. The political background of this trend was set by the entry into the political arena of the great working masses in the liberated countries. These masses have come to realise that planned economy was the best means for the utilisation of their efforts and the economic resources of their own standard of living.

However, in countries that were the principal victims of total war - and Hungary is certainly one of them - the introduction of planned economy has proved an imperative necessity as well. The wholesale destruction of means of production, of buildings, of live-stock and of transport facilities upset the balance of the national economy in those countries. As a result, it is now necessary for every available means to be employed for their recovery and rehabilitation. It takes careful and far-sighted planning to restore the economic equilibrium or, rather, to establish a new and socially more equitable state of balance. It goes without saying that, of necessity, investments will be limited by the volume of consumption goods, the productive capacity and the financial means available. Selection of the most profitable had to be made from among a huge number of investments both possible and very urgent. The proper choice can be made only by means of a plan drawn up well in advance.

The Three Year Economic Plan is based on the common understanding of the four political parties represented in the Coalition Cabinet; in other words, the Plan rests upon their joint and firm determination not to permit the vitally important problems of the economic, social and cultural advancement of the people of Hungary to flounder on the high seas of politics. That

is why the four political parties have agreed upon the adoption of the long-term measures required to settle such problems and have undertaken to respect these resolutions as equally binding upon each of them.

The details of the Three Year Plan were first made public by the Communist Party and, later, by the Social Democratic Party. The other political factions represented in the Coalition had declared their approval of the Plan and their readiness to participate in the preliminary work of elaborating its details. Early in March 1947, the two Hungarian Marxist parties coordinated their respective proposals for the Three Year Plan. At that period, the Independent Smallholders were faced with a grave crisis within their ranks as a result of which the crystallization of the party's economic policy was retarded. This circumstance prevented the Smallholders from coming out into the open with an economic plan of their own. Nevertheless, their experts made a contribution with a detailed elaboration of proposals covering agricultural problems. The representatives of the National Peasant Party likewise contributed valuable proposals during the drafting of the plan.

After the two Marxist parties had coordinated their proposals, the four principal political factions set up a committee to draft the final wording of the Plan. The purpose of this booklet is to acquaint the reader with the work of this committee, namely with the gist of the Three Year Plan.

In the years beginning with August 1, 1947, the Plan provides for investments to a total value of 6,585 million forint. Of this amount, 2,000 million (30.4 per cent) have been allocated to agriculture and to the improvement of the material and cultural well-being of the agrarian classes; 1,745 million (26.5 per cent) have been set aside to the purpose of increasing the productive capacity of mines and industrial enterprises; 1,676 million (25.5 per cent) have been reserved for the reconstruction of postal services and transport and 1,164 million (17.4 per cent) have been reserved for building programmes as well as cultural and social investments.

When computing the investments, planned proportioning was sought for. The limited means had to be made use of in such

a manner as to meet the vital demands of every branch of the nation's economy. As a result, agriculture is to be provided with machinery, live-stock for breeding purposes, artificial fertilisers, improved sowing seed and irrigation facilities. The Plan further provides for technical education, for the development of the agricultural industries - in the first place the dairy and canning industries - and for the manufacture of artificial fertiliser, tractors and agricultural machinery. It provides for far-reaching improvements in rural electrification and in the extension of the network of highways, likewise for the construction of schools, health centers, housing facilities for teachers and medical practitioners and, finally, for the construction of modern and hygienic homes for the farming population.

In the field of industry, the target is to enlarge our power resources (coal and electric current) as well as to achieve the extension of the iron, metal and machine industries, a highly developed machine industry being essential not only to further industrial advancement, but also to rationalise agricultural production. Concerning other branches of national economy, the Plan envisages principally the development of the chemical, textile, building material, wood leather, paper and printing industries as well as that of the artisan industries.

The objectives of the investments for transport and communications are provided by the present conditions of these installations; the efficiency of these installations is to be increased above the pre-war level by the Three Year Plan.

Notwithstanding the vast scale of investments called for by the means of production and the transport services, the Plan also provides for immediate action aimed at ameliorating the living conditions and the social and cultural standard of the working population. The construction of a large number of workers' homes, hospitals, public nurseries, infant schools and institutions of science and of art, installations of public hygiene (sewage and water mains etc.) proves that the Three Year Plan aims not only at the strengthening of the economy of the country, but also at the raising of the cultural and physical welfare of the working classes.

Investments serving the expansion of
agricultural production and the improvement of the living
standard of the rural population.

The purpose of the Three Year Plan is to establish a flourishing agricultural economy and set up a well-to-do, cultured and contented agricultural population. This will be achieved by: the radical reform and intensification of agriculture which will bring about a material improvement in the standard of living of the farming population.

While the "one billion pengoe investment plan" of the Horthy régime set aside barely 6 per cent of the total allocations for agricultural improvements, the Plan forged by the new Hungary extends to the farming populations not less than 2,000 millions out of a sum total of 6,585 million forint. Of this sum, 912 million forint has been allocated for the direct amelioration of agricultural production, 170 million for the construction of village schools and homes for teachers and medical practitioners, 100 million for the purpose of providing a quarter of a million peasant cottages and farmsteads with electricity, 112 million for the construction of 1,400 km. of metalled road as a result of which a further 747 villages and farming centers will be directly linked up with the network of arterial and secondary roads. Finally, 272 million is allocated for the construction of modern hygienic homes for the farming population. It should be noted that the last figure represents only actual cash expenditure incurred by the building programme; taking into consideration the value of manual work to be contributed by the agrarian population to his scheme, the real value of the rural housing plan will be approximately double the above figure.

By increasing the present acreage of irrigated area from thirty to one hundred and thirty thousand cadastral acres, it will be possible to facilitate the switch-over from a system of

extensive to one of intensive and far more profitable farming. The construction of the first stretches of a navigable canal connecting the rivers Danube and Tisza will be likewise primarily to the good of the peasant population. In addition to serving as an important artery of communication, the canal which will prolong the Soroksár-branch of the Danube between Dunaújváros and Taksány will provide 80,000 cadastral acres with constant irrigation and permit the cultivation of kitchen garden plants and rice on a large scale. The construction proper of the canal will ensure a permanent livelihood for tens of thousands of navvies.

The mechanisation of agriculture, to which 340 million forint are to be applied, will both help to increase production and spare the farming population much manual labour. The large landed estates of the past were run with few machines, their owners being able to draw on large reserves of cheap man-power; the peasant-farmer who owned medium sized or small estates could not afford to purchase the requisite agricultural machinery. The large landowners by no means exploited to the full capacity of the agricultural machinery in their possession. In 1936, not more than 3,600 out of a total of 7,000 tractors were in operation and even that number was used to barely fifty per cent of their capacity. Adoption of the Three Year Plan will result in the introduction of radical changes. It is expected that 7,500 tractors will be made available to agriculture and, as a result, the acreage ploughed with tractors will increase by 3,875,000 cadastral acres over the present figure. The contemplated use of two hundred modern threshing machines will largely help to eliminate the loss of seed during threshing and the removal of spoiling matter. As a result, the harvest yield will be higher and unfertile seed can be saved for use as fodder. A conservatively estimated saving of the latter category will be of 5 per cent of the quantity of seed turned to sowing at present. The use by the agricultural population of 100,000 sowing machines will result in a further saving of 20 per cent of the seed requirements, while the eventual yield will be considerably improved by the application of 30,000 harrows, 60,000 horse-drawn hoes, further by machinery for the preparation of fodder, screens etc.

Thanks to the intensive effort industrial workers will be called upon to make under the Three Year Plan, the number of ploughshares, horse-shoes, spades, forks, nails and similar agricultural equipment manufactured will increase very substantially. The shortage of an adequate quantity of high-grade sowing seed was one of the reasons which led to the decline of agricultural output at the close of hostilities. From now onwards, a supply of improved seeds, previously a prerogative of the landed classes, will be extended to the peasant population. Fifteen new plant improvement stations are to be set up at a cost of 10 million forint, while 39 million forint are to be applied to providing the farming population with improved seed.

In the course of the three years covered by the Plan, it is intended to parcel half a million out of the total of four million cadastral acres of unparcelled area. A twenty per cent increase in the yield on that area is to be reckoned with. Fifty-five million are to be applied to the expansion of our forestry industry and to afforestation. In view of the vital importance of maintaining the productivity of the soil, modern standard manuring stations are to be set up in all large communities which will also be helped to the purchase of the material required for the establishment of such stations. By this way, the agrarian population will become acquainted with the best methods of dealing with manure. For the use of artificial fertilisers to gain ground again, an end must be put to the untenable state of affairs, the upshot of which is that a quintal of superphosphates now costs the equivalent of a quintal and a half of wheat as against 45 kgs. of wheat in 1939. Eighty-two million forint have been allocated in the Three Year Plan for the development of the fertiliser industry including also the reconstruction of the artificial fertiliser factory at Péti. Long-term credits totalling thirty-nine million forint will enable the farming population to purchase the necessary quantities of fertilisers; thirty-three million forint have been set aside for the improvement of sodic or south earth areas. The increased use of artificial fertilisers will lead to an increased agricultural yield, to the enrichment of the rural classes as a whole, while the improvement of sodic soil

will provide the poorest classes of the farming population with a better living.

During the term of the Plan, it is intended to lay 3,000 kms. of narrow-gauge railway line at a cost of 42 million forint. This will permit farmers engaged in the cultivation of sugar-beet and kitchen garden produce to bring their products to the processing factories or markets directly so that a considerable wastage and loss of time will be eliminated.

A sum of 29.5 million forint has been reserved for the development of properties managed by the State. Apart from increasing the yield of these estates, it is intended that they should serve as models of intensive and modern farming practices.

The allocation of 5 million forint for the construction of silos will enable us to avoid the mistakes of the past in the storage of crops and fodder. Sixty-three million forint have been reserved for the restoration of fruit orchards and vineyards as well as for the development of horticulture, bee-keeping and sericulture. One hundred fruit growing farms will be provided with motor-driven spraying machinery and other equipment. Five million forint are to be applied to the fight against harmful insects, principally the shield-louse and the Colorado beetle.

The expansion of the domestic live-stock industry is one of the cardinal points of the Three Year Plan. The depredations of the Fascists and the removal of Hungarian assets to the West stripped the country of most of its valuable pedigree stock. Of the 140 million allocated for the improvement of live-stock by the Three Year Plan, 120 million have been reserved for the purchase abroad of pedigree cattle and horses and for the acquisition on the domestic market of pedigree stock; these will then be available on favourable terms to farming communities. Further investments will be used to create dairying zones around the industrial areas while still further sums will serve for the establishment of artificial insemination centers to promote the breeding of horse stock and for the setting up of poultry incubation stations.

A systematic reform of domestic agriculture is possible only through a broader technical knowledge of the farming population. This is the underlying consideration to the allocation of

50 million forint for the development of agricultural professional education and of research institutions. Under this heading may be mentioned the erection of the university and college for agrarian sciences, the establishment of tuition centers at model farms, the expansion of our primary and secondary agricultural schools, the setting up of teachers' schools for agri-militarists and the introduction of abundant libraries and film displays.

The cooperative societies are to play a greater part in the development of agricultural production, the carefully planned sale of agricultural products; they will be charged with coordinating the purchase of the farmers' requirements. Farmers' cooperative societies will attend to the organization of the common use of agricultural equipment and will distribute artificial fertilizers, sowing seed and pedigree stock. Apart, therefore, from the additional 12 million forint reserved for investments of farmers' cooperative societies, the allocations to which we have referred above will serve in part to ensure the financial independence of farmers' cooperative societies. This will permit the vast assets administered by the cooperatives and the equally important strength of the popular cooperative movement to bear joint profit for the farming population. The Three Year Plan will be the great trial of strength of the new democracy of Hungary and, at the same time, the nurturing of the farmers' cooperative movement.

It is for the first time in the history of our country that amounts of such magnitude are to be applied to agricultural investments. Democratic Hungary is determined that its rural population should enjoy all the advantages of intensive farming and intends that the yield of the newly created small farmsteads should not only take the place of, but exceed that of the former large estates.

Our plan for the expansion and intensification of agriculture would not be complete if account were not taken of the thrift and diligence of the farming population which will tend to increase our livestock aggregate very substantially indeed. The anticipated rise in the number of pedigree stock is one of the most important of the nation's wealth. Everything possible must be done to ensure full exploitation of the prolificacy of our

poor stock of cows, cows, ewes and mares and to prevent farmers from being forced to sell the new breed on the slaughter markets. To this end should serve the price-control of agricultural products, purchase by the State of live-stock offered for sale at fairs and, if necessary, a ban to be put on the slaughter of certain live-stock. No efforts must be spared to ensure that the live-stock aggregate not only rise to, but surpass the pre-war figure within the least possible time.

Finally, it must be observed, supposing foreign loans, that an additional 300 million forint is foreseen for agricultural investments. Of this figure, 77 million forint would be spent on the construction of the canal between the rivers Danube and Tisza and further irrigation works, 45 million on soil improvement and 50 on electrification.

By the investments under the Three Year Plan, the life of the farming population will be entirely remoulded; instead of the daily grind of earlier times, the peasant class in Hungary will enjoy a happier and better existence. Greater variety of employment for the provincial dweller and better food for the urban population are envisaged. The concerted efforts of a wealthy and cultured farming population and a well nourished urban population will build up a new Hungary.

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Investments assigned to mining and
industry

The production of manufacturing and mining must be raised during the term of the Three Year Plan even more rapidly than before the war so that an expeditious and decisive improvement in the workers' standard of living may result. To that end a judicious selection of investments is necessary i.e. priority should be given to investments tending to an expedient increase in productive capacity.

The primary purpose of investments assigned to mining and manufacturing is to put an end to the oppressive economic effects of the war; to repair war damages and to develop productive plants above the level of 1938. First of all, the expansion of productive plants is sought in those fields where existing productive capacity is relatively the most restricted; in other words, where investments will increase the output most rapidly.

The projected investments aim primarily at augmenting the output of coal and electric power and at expanding the heavy industries upon which the further development of agriculture, transport and communications and other branches of production depends. The heavy industries have a triple burden to bear, e.g. the bulk of the reparation deliveries, the supply of goods in exchange for which raw materials can be obtained abroad, and the fostering of economic ties with adjacent countries adopting planned economy - primarily with Yugoslavia. The other branches of industry feature in our plan according to the proportion of absolute necessity for the development of their productive capacity.

In view of the exceptional demands placed upon the mining industry by the Three Year Plan, the investments assigned under this heading represent almost 8 per cent of the total allocations.

The investment of 380 million forint in the coal industry will tend to approach a daily output of 40,000 tons by the end of the third year. These investments are calculated to make good defaults of past exploitation methods, at the same time, to create

decent working conditions for the miners. By opening up new shafts and deepening existing ones, newstrata of coal will be brought under exploitation. Mechanisation and rationalisation on a large scale will go a long way towards improving the working conditions of the miners and lead to a higher per capita output.

17 million forint are to be spent on constructing installations for the purpose of processing chemical by-products of coal. This, in itself, will ensure further progress after the execution of the provisions contained in the Three Year Plan.

Investment of 3 million forint in the ore mine of Reesk will make possible on the spot extraction of precious metals and other valuable materials from the alluvium.

The sum of 110 million forint assigned to the utilisation of natural gas and to the crude oil prospecting guarantees a return many times the original investment through the exploitation of vast natural wealth. The outcome of the researches now being conducted will decide how we shall capitalise the natural gas resources of the Lispe or other oil-fields making them available to the urban population and the chemical industry.

The output of the smelting industry is the virtual starting point of the Three Year Plan. While sufficient quantities of pig-iron can be manufactured by the existing high furnaces, supplementary installations will have to be provided for the purpose of improving smelting efficiency. The Three Year Plan provides for the large scale addition and rationalisation of machinery used in the preliminary processing of ore at the old foundries. Since the time of the liberation, ferr-manganese, the most important of alloys, has been manufactured domestically from manganese found at Urkut. The construction of a special small ferromanganese furnace for the purpose of relieving the high furnaces of their work together with the rationalisation of the iron one mines at Rudabánya, Urkut and elsewhere are projected at an outlay of 30 million forint. Moreover, we intend to extend and rationalise the operation of Martin and electric furnaces.

Industrial investments, in their stricter sense, feature - inclusive of the artisan industries - with a total of 1,104 million forint. Of this sum, 752 million are to be spent on expanding

the iron, metal and machine industries and on increasing the quantity of electric power generated. Under this heading, in addition to reparation demands and domestic requirements, provision has also been made for the orders placed by Yugoslavia to a value of 1,500 million forint; these orders are expected to play a vital role in the industrialisation of that adjacent country.

Investments in the iron industry - particularly those related to the expansion of the blast furnaces - are organically linked with the development of the smelting industry.

The present insufficient output of the steel foundries must be increased and methods involving the unnecessary transport of castings will have to be abandoned. By the end of the third year, all our large industrial plants turning out processed steel will be in possession of steel and iron foundries capable of meeting their own requirements.

The output of our rolling mills must also be increased by investments totalling 9 million forint. Should foreign capital be made available in the form of loans, we should turn a further 45 million forint to the modernisation of our rolling mill industry. Considerable sums have been allocated to the expansion of the Manfred Weiss Tube Factory, whose products are in great demand abroad, further to the expansion of installations for the manufacture of locomotives, wagons and bicycles at Diósgyőr, to the reconditioning of the large modern aluminium rolling plants and aluminium foundries operated by Manfred Weiss and finally to the expansion of all our metal rolling mills and other essential investments.

The largest single item among the headings of industrial investments is that assigned to our output of machinery (413 million forint). After the smelting industry, the manufacture of machines ranks second in importance to the success of the Three Year Plan; that is why modernisation in this branch must be carried out to the greatest extent. The burdens placed on the machine manufacturing industry as a result of the domestic demands arising out of the Three Year Plan coupled with reparation and other export deliveries will be such that they can be met

only by the installation of an adequate number of new processing machinery. We shall likewise have to set about manufacturing large units which are more difficult to produce and which require considerable finishing but which, at the same time, offer a possibility for plentiful and good employment both to intellectual and physical workers.

A total of 25 million forint goes to the importation of up-to-date machinery for the reinforcement of our machine tool industry; this measure being essential in the interest of meeting reparation liabilities as well as domestic and export demands. The Ganz shipyards are to be developed at a cost of 45 million forint. 35 million forint are to be invested in the manufacture of wagons and locomotives. 158 million have been set aside for the purpose of providing the general machinery manufacturing industry as a whole with modern processing machines; this branch being called on to cover, apart from a substantial volume of articles intended for export, also the bulk of the requirements of our industrial investments and renewals. The 140 million forint assigned to the electric industry includes the sum of 60 million reserved for the expansion of the Ganz Electrical Works, for the developments of the manufacture of incandescent bulbs, of cables and other electric articles. Although the sum of 40 million forint allocated to the expansion of the manufacturing of tractors and other machinery essential to agriculture has already been figured among agricultural investments, it may be as well to recall it in these passages too.

The sum of 200 million forint assigned to the expansion of the generation of electric power represents one of the most important allocations of the Three Year Plan. This sum is to cover the construction of a power generating station in the Mátra Hills, the reconditioning and expansion of existing power generating stations and to the restoration of the most modern of Manfred Weiss & Co's high pressure plants. These investments will enable the production of electric power to keep pace with the increasing consumption. The decision taken by the Government last year for the nationalisation of enterprises engaged in the generation of electric power will permit the drafting of a uni-

form plan of electrification and provide the means for main centers of consumption to be linked to the generation stations by a national grid of long distance powercables and, finally, for the production of cheap electric power.

The expansion of our chemical industry and its growing importance in the economic life of the nation is reflected in the fact that 250 million forint are to be spent on increasing its output still further. (The sum of 82 million forint set aside for the purpose of ensuring the manufacture in sufficient quantities of vitally needed artificial fertilisers is not included in the above figures, it being part of the agricultural allocations.) 16 million forint are to be invested in the modernisation of our alumina factories and 150 million in the construction of a new alumina factory with an annual output of 60,000 tons. This enterprise is destined to play a role of primordial importance in the exploitation of our bauxite resources. The construction of a factory engaged in the manufacture of anode-mass materials at the cost of 8 million forint also serves the further expansion of our aluminium industry.

Other items figuring under the heading of allocations to the chemical industry will be assigned to the expansion of the drug and aniline-dye industries, to the modernisation of oil refineries, to the further expansion of crude oil processing plants and to the manufacture of other important products.

In the development of the textile industry, the investment of 84 million forint will mark an important stage. This sum will suffice for the construction of a new and fully equipped spinners with 120,000 spindles to manufacture commodities essential for the supply of the masses. As a result, the equilibrium in the production of the cotton industry will be restored and a material increase in the output of cotton cloth and other export requirements made possible. In addition, we also intend to develop the domestic artificial silk industry.

Allocations assigned to other branches of industry ensure the most essential completions and modernisations in industrial plants having an otherwise satisfactory output. For example, the paper industry will manufacture cellulose, while

deep-freezing plants are to be made available to agriculture in addition to the investments aimed at improving the standard of agricultural commodities.

The Three Year Plan provides for the investment of 30 million forint in machinery and tools required by the handicraft trade. As a result, it will be possible to increase the employment of this branch of industry by 10 per cent over the 1958 level and, at the same time, to lighten the task of the workers and improve their standard of living.

Apart from new installations, important renewals will also take place in Hungarian industry during the term of the Three Year Plan. Investments totalling over 1,300 million forint are to be carried out in the mining and in the manufacturing industry. Replacement of worn-out or out-of-date machinery will take place according to a preconceived plan suited to the demands of modernisation and rationalisation and this will also contribute in no small measure to the increase of the production level.

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The investments in transportation

and postal services.

At the close of the war, the transportation system was capable of barely one quarter of its pre-war performances. While we have already succeeded in trampling that figure, according to the Three Year Plan it will be necessary not only to reach, but in many respects to surpass the 1938 standard. To this end, a sum of 1,450 million forint has been allocated.

Out of the investment, 724 million will be available for the Hungarian State Railways. At the time of the liberation, the volume of railway traffic all but approached 30 per cent of the 1938 figure, while, in May 1949, as a result of reconstruction work, the percentage stood at 70 per cent already. The provisions of the Plan envisage an increase of 12 per cent over the performance of 1938. This is to be attained in the three years to come by accelerating the traffic and by increasing the rolling-stock.

The trunk lines and the more important branch lines will be completely re-built and the most essential double tracks repaired. The double track on the line between Miskolc and Barcska will be laid and reconstruction of the extensive damage done to the terminal and goods stations of Budapest undertaken.

As to the bridges, we intend to rebuild the railway bridge in Budapest, the railway bridge over the Danube at Baja, the bridges over the Tisza at Szajol and Tokaj and the bridge over the Zagyva at Szolnok. Several smaller bridges will also be built. A total of 177 million forint goes to bridge construction.

103 million forint will be invested in the reconstruction and extension of the system of signalling and safety devices. In the course of this work, some 240 kilometres of cable will be laid, safety devices of all railway stations repaired and modernisation carried out at all the important railway centres.

The rolling stock is to be increased by the reconstruction of 161 locomotives, 40 motor engines, 800 passenger carriages and 1,000 freight cars and by the purchase of 19 locomotives, 2 motor

engines and 100 freight cars. The total expenditure will be around 128 million forint.

The installations on existing electrified lines are to be rebuilt and steps taken to electrify the line between Budapest and Hatvan. The anticipated outlay will amount to some 42 million forint.

73 million forint have been reserved for the of repair of railway workshops and for the construction of a new repair and servicing station for motor engines.

41 million forint are to be spent on the reconstruction of sidings, warehouses, goods-yards, weighing machines, etc.etc. in the Budapest termini. Shunting yards and sheds for the forwarding of merchandise are to be reconstructed in all the principal railway stations. Amongst other dispatching premises to be rebuilt or extended are those at Budapest South Station, at Hatvan, Szolnok, Debrecen, Székesfehérvár, Nyiregyháza, Rákóc, Sárospatak and Pécel. 72 million forint are to be spent on this scheme.

By repairing the premises inhabited by railway workers and by increasing the number of canteens, changing rooms, etc. the general working conditions of railway workers will be ameliorated.

Apart from lightening the tasks devolving upon railway workers, these investments will increase the rentability of the railways, thus enabling same to grant the producer, particularly the representatives of the agricultural population, substantial tariff reductions. A modernised net-work of railways will provide the nation with rapid, cheap and reliable means of transport; the introduction of special services of workmen's trains will enable the industrial operative to reach his place of work with greater ease.

187 million forint have been allocated to the repair and extension of the system of urban tramways and suburban electric trains operated by the Municipal Tramway Company of Budapest. Tramway lines formerly laid close to the side-walks are to be re-laid in the middle of the thoroughfares; the net-work of tram-lines in the main squares of Budapest is to be re-laid; overhead construction work strengthened and transformers built. The construction of a

number of trolley-bus lines, of tramway passenger cars and motor buses will go a long way to improve the existing facilities. Realisation of the detailed plan elaborated by the Municipal Tramway Company of the City of Budapest will ensure more rapid, more comfortable and cheaper means of transport for the workers of the capital.

Shipping is another vitally important branch of transport and communication. The absence of German shipping from the Danube makes it essential for the number of Hungarian-owned river vessels to be increased and shipping installations to be expanded. The allocation of 54 million forint for this purpose will enable us to repair those vessels that have returned from the Upper Danube; to re-float and recondition ships sunk during the war; to build new storage and delivery sheds at Győr, Gönyű, Dorog, Budapest, Adony, Baja and Szeged; to construct cranes at Győr, Komárom and Budapest; to extend the coal wharves at Mohács; to enlarge the winter harbour at Baja; to repair, add to and provide new installations at the International Free Port of Budapest.

In the interest of developing river-borne traffic - apart from the preliminary work on the Danube-Tisza canal serving agricultural purposes - we intend to construct the Bió canal, to regulate various stretches of the Tisza and to dredge the Soroksár branch of the Danube. The cost involved will amount to 17 million forint.

Realisation of these projects will lead to the growth of the volume of passengers and freight transported, permitting the shipping facilities to serve their true purpose, namely to transport bulk goods cheaply. New reloading facilities will ensure the necessary contact between the railways and the steamship lines.

Nearly 85 per cent of the roads in Hungary suffered considerable damage during the war. By the end of May 1947, 80 per cent of the modern dust-free highways and 60 per cent of the macadam roads were repaired. During the three year period, all damaged roads will be repaired and 1,400 kms of wide auxiliary roads will be built, thus providing 747 communities with a population of 700,000 with adequate means of communication irrespective of the vagaries of the weather. Provision for this scheme

has been made in our agricultural plan. To meet the demands of the continually increasing automotive traffic, we shall construct a further 225 kilometres of cement-surfaced roads. The most important amongst these are the roads between Hatvan and Miskolc and between Ercsi and Szekszárd for the construction of which 88 million forint have been reserved in addition to several secondary roads; these new roads will enable the new farming population installed on land expropriated under the agrarian reform to transport their commodities to the nearest market throughout the year.

Also serving the interests of the farming population, - therefore shown in our scheme for the rehabilitation of agriculture - is the restoration of the narrow-gauge railway lines which were severely damaged during the course of hostilities and which exist on the former large estates.

Nearly 40 per cent of the mileage of our roadway bridges was destroyed during the war. Until now, 40 per cent of the destroyed bridges has been restored temporarily and 15 per cent permanently. Eighty per cent of the destroyed bridges will be rebuilt during the period of the Three Year Plan; of this number, a maximum of twenty per cent will still be temporary ones at the end of the three years. A sum of 190 million forint has been allocated for this purpose. According to our plan, we shall raise every wrecked bridge from the beds of the rivers, rebuild all the bridges in Budapest with the exception of the Elisabeth Bridge and, apart from that at Záhony, all bridges over the Tisza. The most important amongst these are the Margaret Bridge, the Chain Bridge and the Boráros Sq. Bridge, the bridges over the Danube at Ráckeve and Győr; the bridges at Szeged, Tiszaug, Polgár, Vásárosnamény and the provisional Tisza bridge at Balsa as well as the Maros bridge at Makó. In addition, a number of lesser bridges in the provinces will be reconstructed. Our bridge building programmes will completely restore road traffic between Budapest and the provinces, materially improving highway communication and eliminating the present use of by-passes.

Repair of highways and bridges will provide the basic requirements for the development of automotive traffic. In May 1947, the aggregate of our automotive vehicles was around 36.000. We seek, by the establishment of mixed road and rail transport services, to

link even the most distant communities into the national network of transport and communication.

The aggregate of our automotive vehicles will be raised by importing 4,000 passenger cars from abroad and by manufacturing 2,000 lorries and 300 motor buses. A total of 140 million forint has been assigned to the development of automotive traffic and transport facilities.

Our civilian aviation was destroyed during the war. Following the conclusion of a Soviet-Hungarian agreement, the transport of passengers and freight by air has been resumed within the country. Regular services operate between Budapest - where the repaired landing-field at Budaörs is used - and the five major provincial centers. Services between Budapest-Bukarest and Budapest-Prague are already operating and will shortly be coordinated with a number of other international airway services. With the help of the Three Year Plan, it will be possible for us to finish the work of reconstructing our aviation fields by July 1951. Regular passenger, post and freight services have been established between the capital and the nine principal provincial centers; all hangars and other amenities at the Ferihegy aviation field outside Budapest will be rebuilt, safety devices permitting night or blind flying will be installed and a concrete run-way covering a square of 1,200 by 800 metres will be constructed. As a result, the landing field will be able to serve even the largest aeroplanes used in international aviation. We intend to promote the use of private planes and foster gliding. A sum of 30 million forint has been assigned to these aims.

During the war, the Hungarian postal system suffered loss and damage to 75 per cent of its installations; by May 1947, however, the turnover had reached 60 per cent of the pre-war level. The Three Year Plan drawn up by the Postal Services aims at linking Hungary integrally into the service of international communication by telegrams and telephone trunk lines and, in this way, of improving the domestic service as well. Thus, the back-bone of the Three Year Scheme as referring to the system of postal services, consists of the extension of the long-distance telephone cables and the modernisation of exchanges and other

equipment. While the funds required for the domestic development are provided for by the Three Year Plan, we shall have to find means of obtaining funds necessary for the construction of installations required by international communications too. Possibility for this exists by the exceptionally rapid amortisation of such investments. With the object of modernising the domestic net-work of telephones, we intend to re-build the József, Teréz and Óbuda exchanges and to extend the Krisztina exchange in the capital. A new trunk-line exchange will have to be built in the place of that destroyed during the war.

Several new automatic telephone exchanges will be built for the purpose of facilitating the use of telephone calls between Budapest and the provinces while the existing exchanges are to be extended. We intend to modernise the net-work of cables, to enlarge and modernise the equipment of the central telegraph office. An automatic teleprinter center will be erected in Budapest. Broadcasting facilities are to be developed by the construction of two medium wave transmitters with a capacity of 135 kilowatts each, and by the use of a number of relay stations. Modern machinery used for the transmission and reception of radio telegrams will be installed.

The investments provided for by that part of the Three Year Plan which refers to the postal system will cost a total of 226 million forint. These investments will make it more economic to operate the post and provide the masses with cheaper, more reliable and quicker means of communication.

Realisation of the details of the Three Year Plan as referring to investments assigned to transportation, communication and the postal services will result not only in the restoration of pre-war conditions, but raise the level to an even higher peak, enabling the public to avail itself in continually growing numbers of the advantages of transport and communication.

Investments serving constructional,

social and cultural purposes

It is natural that we cannot, with our limited means and within the period of the Three Year Plan, grapple with all the tasks confronting us in the field of agricultural reconstruction. What is needed is moderation and careful scrutiny as to the priority and importance of demands. However vital the reconstruction of our national economy may be, it must not be lost sight of that economic activity, as such, is not an aim in itself; its significance lies in the welfare, social elevation and cultural progress of the masses. If we are to make the working masses the aim and reason of their efforts in the interest of realising the Three Year Plan, it is necessary, from the very outset, to lay the foundations of a higher standard of living, i.e. to secure better housing, adequate sanitary and cultural services for them.

Notwithstanding the paucity of our resources, it is imperative to make both ends meet in this field too. The past political régimes could hardly afford to make allowances for such purposes since the surplus of natural production were exhausted by limitless profiteering and, later, by the re-armaments pursued in the interest of imperialist powers. Present day democratic Hungary, seeks to extend not less than 1,164 million forint from available resources to constructional, social and cultural schemes within the period of the Three Year Plan. The sums assigned to these purposes will increase in proportion with the rise of the standard of living; so, in the first year, they will amount to 235 million forint, in the second to 375 and in the third to 554 million forint already.

Furthermore, 448 million forint have been assigned to the construction of dwellings. This will enable us to re-build buildings in urban districts, and to construct homes partly in the mining centers and partly for the workers in the heavy industrial centers in County Borsod. In addition to the 448

millions mentioned above, the sums of 272 millions set aside for the construction of houses in rural communities and 36 millions for similar constructions for provincial medical practitioners and school teachers, i.e. a total of 796 million forint, will likewise serve the drive for more lodgings. It should not be forgotten either that the anticipated 272 million forint to be spent on the construction of homes for the rural population represent only actual cash outlay; the value of manual labour contributed by the peasants in building on their own account - in so far as it does not involve cash outlay - has not been included. On the other hand, in considering the sums to be spent on urban housing, it should also be remembered that an important part of the allocations has been assigned to the repair of damaged urban house property and the value of buildings restored to their useful ends will exceed by far the sums spent on repairing them. All in all, we can reckon, for the period covered by the Plan, with a production of lodgings worth about 1,300 million forint which means housing facilities for more than a quarter of a million persons.

A sum of 270 million forint is to be spent on the construction and repair of hospitals, while 95 millions have been set aside for other hygienic, social and recreative purposes. Of this amount, 35 millions are to be spent on the protection of infants and 8 million on developing sporting facilities. For example, the St. Margaret Island in the Capital will be re-built as a recreation ground for the working masses at a cost of 23 million forint. 19 million forint are to be invested in the reconstruction of hotels and development of health resorts. Thanks to the investment of these sums, the Government will be able to realise a far-reaching public health programme. Great progress will be made in the struggle against and prevention of popular diseases; at the same time, child-welfare services will be rendered up to date.

193 million forint will be spent on educational, scientific and cultural purposes. Of this figure, the greatest single item, i.e. 2 million forint, will be applied to the construction of schools of general nature, 35 millions to the construction of the University of Polytechnics, 24 millions for other high-schools and 25 millions for the establishment of teachers' training schools. Provision has been made to construct so-called People's Colleges parallel with the

related High-Schools. 18 million forint will be invested in scientific and cultural institutes; 10 millions in the construction of cultural centers and 15 millions in promoting the expansion of the film industry and the display of educational films. In addition to the sum of 193 million forint to be spent on cultural aims, the following amounts shown in the investments assigned to agriculture will also serve to raise the cultural level of the rural populations: 90 million forint to agrarian technical education and experimentation, and another 90 million allocated to the construction of rural schools. In other words, a total of 373 million forint has been reserved for cultural purposes under the Three Year Plan.

38 million forint are to be applied to the continuous repair of public buildings and 80 millions to the reconstruction of various public utilities of sanitary purposes, namely water-mains, sewers, slaughter-houses, refrigerators, etc. etc.

These investments will help to provide our building industry with adequate employment, seeing that in addition to 949.6 millions for architectural works figuring under the title of constructional, social and cultural investments, not less than 505.8 million forint of the agricultural investments, 171.7 million of the industrial and mining allocations and 212.4 million forint of the sums assigned to transport and communications are to be applied to building purposes. And it should be mentioned that a further amount of 711.6 million forint goes to civil engineering.

The construction, social and cultural programme of the Three Year Plan ensures, during already the first three year, that the workers will be able to enjoy the fruit of their hard work. Their housing conditions will improve, greater care will be taken to maintain their standard of health and social, educational and scientific institutions will thrive as well.

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Estimates of agricultural production

The results we seek to attain in the field of agricultural production during the term of the Three Year Plan are indicated on page 12.⁺ Naturally, the significance of estimates on agricultural production will differ from that of mining or industry in so much as the volume of the agricultural output depends very largely on the atmospheric conditions ruling in the period involved. However, since the provisions of the Three Year Plan anticipate moderately favourable weather only, there is good reasons to believe that the targets aimed at will indeed be reached.

In drawing up the estimates, allowance was made, on the one hand, for a certain switch-over in the agricultural production and, on the other, for the beneficial effect of the investments to be carried out under the term of the plan. The most important step in the switch-over of agricultural production is the reduction, by 20,000 cadastral acres, of the acreage of land sown to wheat and rye. This, being done simultaneously with the increase of the average yield - should not affect the inland supply of bread-grain, while at the same time will certainly set free large areas for the cultivation of more valuable crops. The acreage of oleaginous plants will also be cut by 260,000 cadastral acres in anticipation of a set-back in the demand for vegetable oil and margarine following upon the restitution of our pig stocks and improved supply of cooking fats. Finally, the extent of fallow land must be reduced by 162,000 cadastral acres. The acreage thus rendered available, i.e. a total of 558,000 cadastral acres, must be utilised by plants suitable to intensive farming methods. Such plants are the following (with the increases in acreage between brackets): maize, (100,000 cadastral acres); potatoes (20,000); sugar-beet (10,000); fodder-beet (60,000); fibre plants (4,000); pulses (50,000); tobacco (6,000); lucerne and other non-cruciferous fodder crops (49,000); kitchen garden and aromatic plants (50,000); rice (7,000) and other plants (82,000).

In other words, the Three Year Plan will bring about a radical change in the qualitative composition of agricultural

⁺ No. of tables.

reduction. A scaled-up production of fodder - together with an increased yield from better tended fields and meadows - will foster live-stock raising which, in its turn, will lead to more adequate manuring. All these gains will bring the farming population greater returns and better and more nutritious food for the urban population.

Next to the switch-over dealt with above, comes the raising of average yields as the second principal aim to be reached. The better part of investments projected will serve towards this end. The development of seed improvement methods together with the popularisation of the use of improved seeds will be a great help for the peasants to obtain higher returns. Allocations for the purpose of mechanisation of agriculture aim at the promotion of more adequate tillage operations, of seed-testing (with a view to the eradication of impurities and defective seeds), of up-to-date plant-tending and of the diminution of loss of seed during threshing operations. All these advantages should come to expression in an increase of the crop averages and yields. The same purpose is served also by the gradual extension of irrigation, the improvement of alkaliferous and sour soils and the establishment of model yard manure centres.

Irrigation will similarly help to promote market-gardening (vegetable growing).

The table relating to the estimates of production provides detailed information as to the targets to be achieved in the individual branches of production. Accordingly, the bread-grain yield must reach 25 million quintals in each of the three years under the Plan; this - on an area to be reduced by 200,000 cadastral acres - can be secured by gradually increasing the average yield (7.0, 7.3, and 7.5 quintals per hectare). It is true that we shall not attain the 1938 figure of 34.9 million quintals of bread-corn, but then one of the aims of the agricultural switch-over is none other than to grow crops to be marketable abroad and in Hungary more readily and for better prices than the wheat surpluses that can be disposed of only by exporting and generally on unsatisfactory terms. By the end of the Three Year Plan, the rye and oat harvest is expected to approach and the maize harvest to be almost on a par with - even assuming a lower crop average - the 1938 level.

also intend to raise the level of cultivation of potatoes, sugar-beet, pulses, tobacco, rice, kitchen-garden and aromatic plants as well as of other sowing seeds above the pre-war level. The production of oleaginous seeds will exceed the pre-war volume although it will be below the present figure. The 1938-39 standard will be reached in respect of fibrous plants. Following the distribution of arable land, gradual progress is foreseen also in the field of fodder production which, being hitherto a feature of large farms, is actually below the pre-war level. In the course of the coming three years, the 1938 figure will be attained by the area sown to lucerne, and approached by other non-cruciferous fodder plants and fodder-beet; similarly, the yield of pasture and meadows will be increased successively.

Particular attention must be paid to increasing the cultivation of kitchen-garden plants and fruits with the object of providing the population with better and more nutritious food. The former will almost reach and the latter surpass the pre-war level by the end of the third year under the Plan. For this end, insecticide devices and chemicals will be availed of.

As for the yield of our vineyards, ever fluctuating according to weather conditions, conservative estimates only can be given. Nevertheless, there is good reason to hope that final results will surpass the level foreseen.

The exploitation of our forests must proceed for time to come but very cautiously following upon the spoil-managements of past years; as a result, we shall be unable to reach the 1938 results.

The total value of the plant cultivation yield is expected to reach 80 per cent of the 1938 figure during the first year, 85 per cent during the second and 93 per cent during the third year of the Plan. Difficulties of far greater dimension have to be overcome before we can increase the yield of live-stock production in view of the fact that it was this branch of national economy that suffered the most severely from the war. In the first year of the Plan, the yield of live-stock production will be 62 per cent of the 1938-39 figure, in the second 72 per cent and, in the third, 86 per cent. The proceeds of slaughterage, namely meat production, can increase

but slowly in view of the fact that first attention must be given to increasing the live-stock; thus animals sorted as defective only must be slaughtered according to the estimates. Provided full use is made of the natural accretion possibilities, our live-stock should develop as follows:

	1938	1946	1948	1949	1950
Aggregate	Spring of the year, 1000 head				
Horned cattle,	1882	1100	1465	1637	1807
of this: milk cows	917	604	641	666	780
draught oxen	191	113	131	178	205
Horses	814	399	521	585	630
Pigs	5224	3356	4593	5185	5917
of this: breeding sows	601	350	509	666	804
Sheep	1629	370	617	794	1023
of this: breeding ewes	965	187	305	392	505

As can be seen from the foregoing, the accretion of the pedigree stock, namely the females fit for service and of draught-oxen - important for the tillage of the soil - will be very considerable and will materially surpass the normal rate of accretion. If we regard the value of the aggregate of cows, draught oxen, horses, breeding sows and breeding ewes as the "live-stock capital" of agriculture, as distinct from the live-stock destined for slaughter, the accretion of the "live-stock capital" in three years will represent an amount, calculated at the present prices, of roughly 1,100 million forint, whereas the accretion value in pre-war times moved only between one and two hundred million forint annually. This material increase must be secured partly by the distribution among the farming population of pedigree stock imported from abroad, partly by purchasing and granting to new farmers pedigree stock offered for sale. In the first place, live-stock must be provided in those areas where the aggregate suffered the greatest losses during the war and attention must be paid to the question of the proportional distribution of the available live-stock throughout the country. Around the industrial centers, there should be established dairy-cooperative societies so as to ensure that the industrial operative in these areas are provided daily with fresh milk and dairy products. By the end of the period under the Three Year Plan, daily milk deliveries to the industrial workers should increase by nearly half a

million litres. The entire dairy industry ~~must~~ be reorganised and rationalised.

By the revival and development of the cooperative movement, both production and marketing will receive considerable encouragement. The Three Year Plan will raise the peasant population from their present backwardness, will help the new farmers to equip their recently acquired estates and, by reasonable changes in the structure of production, will enable the peasant population to manage their farms to even better advantage than did the large landowners of the previous régimes. The Three Year Plan will raise the level of Hungarian agricultural production to just ten per cent short of the gross value and five per cent short of the net value of pre-war days. At the same time, it will lay the foundations for a development which will lead to a yield surpassing the pre-war figure both in respect of quantity and quality.

Estimate of the production of mining and
manufacture.

When drafting the provisions of the Three Year Plan in relation to mining and industrial production, a wide range of problems had to be given careful scrutiny. The limits of any increased output are determined first and foremost by the volume and nature of raw materials actually available within the country as well as by the quantity of raw materials which can be imported within the framework of existing commercial agreements. Consequently our plan for increased production had to be based on the volume of raw materials available under both these headings.

A further brake on the estimated development of production is to be found in the reduced production capacity due to losses or destruction caused by the war. The Plan gives full consideration to the imperative necessity of raising the productive capacity as quickly as possible. Its allocations aim in part at raising the productive capacity to about the 1938 level and, in part, at eliminating the bottlenecks of our most important branches of industry, furthermore, at rationalising and modernising industrial installations.

With due regard to the raw material supply and the production potential, the Plan provides for a 34 per cent increase over the 1938 output in the mining industry and for one of 27.5 per cent in the manufacturing industry. Naturally, this increase of production will not spread uniformly over all branches of production. Some will have to be developed more intensively than others where we shall have to be content with a more moderate increase, on an average, however, it is expected to reach at least the 1938 level by the end of the third year of the Plan.

Particular attention is given by the Three Year Plan to the manufacture of an adequate and commensurate volume of essential consumption goods so that the general standard of living may thereby be raised. Equal importance has been attributed, however,

to the manufacture of machinery and equipment necessary for the increase of industrial and agricultural production, for these are the foundations upon which future progress rests. Similarly, when considering the question of raising the level of industrial capacity, due allowance had to be made for the charges devolving upon the country in the form of reparation liabilities and for our economic ties with foreign countries. Finally, it was natural that account had to be taken of the manufacture of all those materials, machinery and other installations required under the terms of the Plan for the reconstruction and extension of lines of communication and transport facilities as well as for social and cultural institutions.

Coal, iron ore, bauxite, mineral oil and natural gas are the principal products of our mining industry and coal is the basic raw material by which our industry stands or falls. This means that the coal output must be increased to roughly the 1938 level within the first year already, and, by the end of the third year, it must reach 11,550,000 tons, in other words a figure 20 per cent in excess of the 1938 level. This is possible only at the cost of the greatest effort. Apart from the coal requirements of industry, railways, shipping and power stations, there is a very considerable domestic demand to be reckoned with and for which adequate provision has been made by the Three Year Plan. Furthermore, it is envisaged to import a reasonable quantity of high-quality foreign coal lest domestic shortages affect the continuity of the Plan.

Owing to the very reduced capacity of our iron ore mines, the iron ore production is expected to reach but the 1938 level at the end of the third year. Consequently, we shall still have to cover from abroad the bulk of our iron ore requirements.

In view of the small domestic markets and the unstable world position of aluminium, only a slight increase of the bauxite output has been foreseen. Should conditions become more favourable, production might naturally be raised.

Nor is it intended to increase the mineral oil output much above the present figure. This level suits best to the economical production and, at the same time, enables us to conserve our stocks for a longer time. By the end of the third year, an output of 660,000 tons is expected.

Under the terms of the Three Year Plan, the utilisation of our natural gas production -- a great deal of which has been wasted up to now -- is to be intensified very considerably.

In view of the vital importance of the iron and steel production, the same also will have to be developed rapidly. The Plan provides for an increase of 2 per cent over the 1938 output in the first year already and for one of 28 per cent by the end of the third year. The production of pig iron will amount to 420,000 tons and that of steel to 800,000 tons in the third year covered by the Plan.

The output of the iron and metal industries -- that process our metallurgical products into rolled, pressed and wrought articles -- is expected to increase proportionally. This branch of industry also manufactures metal industry products amongst which provision has been made for a very material increase -- in comparison with the pre-war figures -- of aluminium goods. At the same time, we shall have to content ourselves with more moderate results in the output of other metal goods on account of the scarcity of inland raw materials. Still, it is expected that our domestic needs can be met.

Our machine industry is to be enlarged by a new branch, the machine tool industry. This has been necessitated by the envisaged investment and renewal programme of industry. It will nevertheless be necessary to rely on considerable imports of machine tools in addition to those manufactured at home.

The construction of railway trucks and engines is expected to reach four and five times respectively the 1938 figure in the course of the coming three years. Our ship building programme provides for an output of roughly three times the 1938 figure. While the bulk of the products under these headings will go to reparation deliveries, some export -- if on a modest scale -- of motor trains is also intended. The production of railway trucks will reach, 6,500 units and that of engines 160 in the third year of the Plan.

It will be necessary to increase the output of tractors and agricultural machinery very considerably in the interest of raising the level of agricultural production. By the end of the third year, we shall be turning out two and a half times as many

tractors as were manufactured in 1938. By the end of the third year, the result will be of the order of 3,700 tractors.

The production of bicycles and motor-cycles will have to be doubled in view of the increasing demands of our agricultural and industrial workers. The Plan provides for a thirty per cent increase over the 1938 level of articles manufactured by the electrical machinery industry. Particularly favourable export possibilities are in sight for such products, all the more so as an ample market may be taken as secured - under the terms of the recent Hungarian-Yugoslav trade agreement. Certain quantities of the above goods will be applied to meeting reparation liabilities.

Comparing the output of general engineering to the 1938 figure, an increase of ten per cent at the end of the third year is foreseen by the Plan, with due allowance to domestic consumption, reparation deliveries and export possibilities.

Taking the production of the entire machine manufacturing, the increase will be one of 65 per cent over the 1938 level by the end of the third year.

The volume of electric current to be generated by the end of the third year, i.e. 2,000 million kilowatts, will be some 43 per cent above the 1938 level. Such achievement will require also new power stations. In order to utilise the energy more economically, the construction of a national grid is planned. The surplus of electric current will be made available in the first place to industry and, secondly, will be applied for the intensification of agriculture as well as for rural electrifications; in addition, an increasing demand on the part of means of communications is to be reckoned with.

The output of the building material industry will possibly not be increased by more than only between five and six per cent towards the end of the third year, a circumstance arising in part from considerations in the management of the available coal supply.

By the end of the third year, production will be of the order 500 million bricks, 18 million tiles and 370,000 tons of cement.

Thanks to efforts of our glass industry bringing about an increased plate-glass output, a considerable improvement over the

1938 figure has already been achieved. It is expected that the output of the plate-glass industry at the end of the third year (five million square metres) will be roughly the double of the pre-war figure.

Far reaching rationalisation of our wood and particularly of our saw-mill industry is essential. This is expected to result in an increase of 17 per cent over the 1938 production level, though material imports will still be required in view of the meagre capacity of our forests.

By the end of the third year, our paper and printing industry will have a yield of some 11 per cent higher than in 1938. Seeing that the raw materials required by this industry, namely wood and cellulose have to be imported, future developments depend largely upon the possibilities of imports. Since the paper industry is unable to cover domestic demands for stationery, the same will have to be imported in exchange for exports of other processed paper articles.

Owing to the decrease in our live-stock and the shortage of raw hides on the world markets in general, our leather industry is expected to surpass the 1938 output by only 2 per cent at the close of the third year.

As against this, however, the production of the Hungarian textile industry is expected to rise by 26 per cent over the 1938 level; substantial increases are expected in the cotton, woollen and artificial silk-cloth output. By the end of the 1949/50 year, the domestic industries will be manufacturing 230 million metres of cotton, 22 million metres of artificial silk and 21 million metres of woollen fabrics. In other words, demands exceeding those of pre-war days can be met. Of the raw materials required by our textile industry, the entire cotton and part of the wool and synthetic fibre requirements will have to be imported. In exchanges, we expect to export a very substantial volume of textiles different kinds.

Provision has also been made for a substantial increase in the manufacturing of wearing apparel which is closely allied to the leather and textile industry; by consequence, it seems certain that we shall be able to satisfy the demands of our popula-

tion for clothing and footwear. By the end of the third year, our footwear industry will have an output of 6,000,000 pairs.

The value of the production of the agricultural industries will surpass the 1938 level by ten per cent at the end of the third year. Development in this field is dependent on the crop yield. We may reckon on voluminous exports of certain processed agricultural products. By the end of the third year, the sugar output is expected to reach 14,500 tons, that of canned food 13,000 tons and of spirits 280,000 hectolitres.

Our chemical industry to which - besides the chemical industry proper - should be counted also the bauxite industry as well as the rubber and the crude oil processing industry, will - at the end of the third year - show an increase of 45 per cent in comparison with the 1938 production level.

The possibilities of expanding our bauxite industry appear to be favourable. An increase in the production of superphosphates and of the nitrogenous "Pét Salt" is projected in accordance with the demands of agriculture for artificial fertilisers. Through the recent introduction of anyline paints, manufacture of our chemical industry was enriched with an important new branch. The output of the rubber industry is expected to reach the 1938 level towards the end of the third year. Imports of crude rubber will be covered by the exports of finished rubber goods. Thanks to the yield of the new wells sunk since 1938, the production of our oil processing industry has increased considerably in comparison to that for the said year. Over and above the reparation deliveries, the crude oil products represent highly valuable export possibilities.

In the course of the third year, we shall produce 90,000 tons of bauxite, 180,000 tons of artificial manure, 198,000 tons of petrol, 165,000 tons of petroleum and 100,000 tons of lubricating oils.

Following the realisation of the Three Year Plan, the expansion in our industrial production will contribute ample basis for the elaboration of an economic plan of longer term and for a further development at an even higher speed.

Foreign trade estimates

One of the conditions upon which the success of the Three Year Plan hinges is the forthcoming of raw and semi processed materials as well as finished goods to be imported from abroad. These commodities will have to be paid for by the export of goods of which we have an over-production or which we can most easily do without. Consequently, the foreign trade estimates are part and parcel of the Plan.

According to projects, the value of our exports in 1947-1948 will represent - exclusive of reparation deliveries and, on the basis of the present world market prices - 2,100 million forint, while that of our imports will amount to 2,117 million forint. In other words, the balance of trade will be roughly maintained; an absolute condition to which being, however, that the proceeds of our exports be wholly turned to the discharge of the cost of imports. To disregard the above proportion would mean to endanger both the supply of raw materials and the success of the Three Year Plan.

In pre-war days, the bulk of Hungary's exports consisted of agricultural produce and live-stock. Today, only a smaller fraction of the reduced volume of our agricultural production can be reserved for export purposes. Our agrarian exports will consist mainly of goods which can be spared more readily at home, notably poultry, eggs, vegetables, fruit, wine, etc. According to the provisions of the Three Year Plan, agricultural exports will represent only 38 per cent of the total exports during the first of the three years. As against this, the export of industrial semi-processed and finished articles will account for 55 per cent of our exports, while 7 per cent will be made up by industrial raw materials. First in rank among the industrial articles intended for export, figure articles manufactured by our heavy industries (iron and metal industry, machine industry, and electrotechnical industry) while the second place is occupied by the textile industry.

The structure of our imports as provided for in the first year under the Plan will differ from that of pre-war times in so far as we shall import comparatively far less finished goods. The narrow frames of imports will permit to procure only absolutely essential raw materials and semi-manufactured goods. Articles of luxury cannot be imported. Imports of finished goods will consist of machinery, factory installations and vehicles. The bulk of our imports - 79 per cent - will fall to raw materials. Under this heading, coke, iron-ore, scrap-iron, metals, etc. required for our heavy industries will list topmost. A sum of about the same order, in any case not very much less, will go to importing raw materials for our textile industry; in the 1947-1948 period alone, allocations for the import of raw cotton will make 12 per cent of the total amount to be used for imports. The third largest single group of raw material imports will be wood.

The volume of our foreign trade is expected to expand during the second and third year of the Plan. According to the estimates, the pace of the advance will roughly approach the increase in the national revenue. The target is to keep up the equilibrium of the foreign trade during those two years too. Imports to the value of 2,700 million forint and exports to approximately the same amount have been foreseen for the 1948-1949 year; in 1949-1950, imports will represent a value of 3,200 million forint as against exports of 3,160 millions.

The development of our foreign trade according to countries is more or less predetermined. It is certain that the bulk of commodities will be exchanged with our neighbours, namely the U.S.S.R., Yugoslavia, Austria, Czechoslovakia and Rumania, though we hope to do a brisk trade also with the western countries in the first place with Switzerland and the United Kingdom as it would seem already from the trend of our foreign trade observable during the recent months.

The development of the national income under the
influence of the Three Year Plan

The results of the realisation of the Plan e.g. increased national production and higher standard of living of the population will be ultimately reflected in the various items of our national revenues. The planned control of agricultural, mining and industrial production makes it possible to foresee the development of the main items of our national income. According to our estimates, the national revenue of Hungary, which calculated in terms of forint, represented 22.5 million in 1938 and 14.7 million in 1946-47, will amount to 19.0 million in 1947-48, 22.4 million in 1948-49 and 25.7 million in 1949-50. In other words, we shall attain 84 per cent of the 1938 level in the first year, 99 per cent in the second and 114 per cent in the third. In comparison with the 1946-47 figures, the increase will be one of 29 per cent in the first year, 52 in the second and 74 in the third.

In agriculture, the respective figures for the gross production value make out 129, 141 and 151 per cent of the 1946-1947 level, in other words, 90 per cent of the 1938-39 level will be attained by 1949-50. After deduction of maintenance and renewal costs and of the value of agricultural and industrial products, the contribution of agriculture to the national revenue will amount to 5.1, 5.7 and 6.4 billion forint, respectively, during the three years, as compared to 6.8 billion in 1938-39, and 4 billion in 1946-47. Thus, in 1949-50, the contributions of agriculture will exceed the 1946-47 figure by 62 per cent and reach 95 per cent of the pre-war level.

The output of mining and smelting will represent a gross value of 113, 127 and 143 per cent, respectively, of the 1946-47 figure and will surpass the 1938 mark by 34 per cent in the last of the three years. The net contribution of smelting and mining to the national revenue will be of the order of 697, 770 and 853 million forint; in other words, it will have surpassed the pre-war level in the first year of the plan already and will stand 49 per cent above same in the third year.

The corresponding figures for manufacturing will show gross value of production as 135, 167 and 195 per cent of the 1946-47 period and will surpass the 1938 level in the last of the three years. Net production values should figure slightly more favourably in so far as rising production brings about a cut in the quota of used up materials and costs of maintenance. Manufacturing will contribute 5.8, 7.2 and 8.5 billion forint, respectively, to the national revenue as against 6.5 billion in 1938 and 4.1 billion in 1946-47 which means that the portion of national revenue deriving from manufacturing will be exactly the double of the present figure, at the same time reaching 132 per cent of the 1938 level.

The contribution of the handicraft industry will also increase materially; by the end of the three year period, it is expected to make out 166 per cent of the present level and thus slightly surpass the 1938 figure.

Since a considerable quantity of goods to be manufactured (e.g. goods to be delivered under the title of reparations) will not be placed on the market, the growth in the money value of commercial activity will not quite keep pace with that of the production of goods. This also applies partly to transport trade and to price-raising taxes. Similarly, the value of the use of lodgings and other items will increase only in a more moderate measure.

The rise in the standard of living to be attained by the realisation of the Plan will be determined, in the material sense, by such volume of goods produced as will remain available for inland consumption. (It must be recalled that the projected investments in the social, cultural and public health sectors will sensibly improve living conditions; such improvement, however, cannot be measured numerically.) The value of commodities available for inland consumption can be arrived at by deducting from the total of national revenue the value of material requirements of the State and of autonomies, the amounts involved in connection with the discharge of international liabilities, and, finally, the amounts of investments accomplished. The value of renewals is not to be deducted, since they were taken into account when calculating the net production value of the individual branches of production. The goods-absorbing influence of exports may be left out of consideration

during the period of the Three Year Plan, because the equilibrium of our foreign trade balance will be maintained, and thus the exported goods will be replaced by imported ones. From this point of view, the increase of stocks of commodities would, in theory, have to be deducted from the national revenue, since it embraces goods barred from immediate consumption; the pace of the increase of stocks, however, depends on many and different factors. Consequently it can hardly be established numerically. The value in question may be put to 3,000 million forint, though it may well be considerably above or below this figure. In any case, the omission of this factor will involve no error of importance in the calculations on the advance in the standard of living, seeing that all stocks of commodities are, when all is said and done, accessible to direct or indirect consumption, only it is the prevailing purchasing power that will determine the pace of consumption.

Among the items to be deducted from the national revenue, the material expenses of a non-investment character of the State and other public bodies will not, during the Three Year Plan, reach the 1938 level. This is to be explained by the fact that the material expenses of the State amounted in 1938 - first year of the so-called "one billion pengoe investment plan" - to the relatively very high sum of 2,800 million forint. During the 1946-1947 year, the expenditure under this heading of the State is expected to total 1,600 million forint according to figures available for the period elapsed up to now; the said expenditure is to be gradually increased during the years covered by the Plan, since demands of this nature are not adequately met by present funds. With the falling away of the costs of occupation, international liabilities will, in the first year of the Plan, remain below the present figure; later, however, they will advance in keeping with the progressive growth of reparation deliveries. The accretion of live-stock is to be deducted in view of the fact that it has already been taken into account when calculating national revenue and that live stock so accounted for will not be slaughtered.

After deduction of all items to be considered, the value of the volume of goods available for inland consumption will - reckoned on the basis of retail prices ruling in January 1947 -

amount to 14.0, 16.6 and 18.9 billion forint respectively, during the three years covered by the Plan as against 18,300 million for 1938 and 11,000 for the 1946-47 year. In other words, by the end of the period under the Plan, the value of goods available for inland consumption will surpass the 1938 level by 3 per cent and will stand 27, 51 and 72 per cent, respectively, above the 1946-1947 level.

The standard of living of the farming population, the industrial and white-collar worker can and must be raised by a more fair distribution of the public charges. The consumers' tax and turnover tax, which place disproportionately heavy burdens on the small income classes, will have to give way in the greatest measure possible to a system of direct taxation more in keeping with individual earnings. The aim of the capital levy and the Plan Loan is to skim the larger incomes and to take the burden off the shoulders of those with modest means. In this manner, it will be possible for the present day real incomes earned by the working population to be increased by 80 per cent by the end of the period covered by the Plan.

Real income is determined in the case of the peasant population, by the purchasing power of money-incomes earned by the sale of agricultural products and measured in collation with the prices of industrial products, while in the case of operatives and office workers, by the ratio of the nominal earnings to the cost of living. It goes without saying, however, that the real income of the peasant population is also increased by higher crop yields while in the case of physical and mental workers real income will tend to rise on account of improved employment. The above are the underlying considerations to the establishment of prices and wages if it is to ensure that every group of the working population should receive its due share for its efforts made towards the success of the Three Year Plan. Such an improvement in the standard of living in so short a time is without parallel in the economic history of our country. This will induce everyone to take part in the realisation of our Plan in the sure knowledge that his work will bear fruit.

Man-power management under the Three Year Plan

To reach the targets set by the Three Year Plan, it will be necessary to administer the man-power potential of the country both economically and systematically. Before the introduction of planned economy, intermittent periods of shortage and abundance of man-power perpetually endangered continuous production and threatened the livelihood of the workers. In contrast to that state of affairs, the provisions of the Three Year Plan ensure the employment of an ever increasing number of workers according to a pre-determined scale.

The switch-over of agriculture from a system of extensive to one of intensive cultivation confronts the management of man-power with previously inexistent problems. The so-called "Latent unemployment", inherent with the extensive agricultural system adopted in Hungary, must be eliminated; thus the system which forced many hundred thousand farm labourers and smallholders to eke out precarious existences on the earnings of only one hundred working days in the year must be finally liquidated. More complete and uniform use must be made of man-power in agriculture too and wages ensuring a decent standard of living must be paid. By extending the area sown with hoe-crops or fodder plants and by expanding the budding market gardening industry, it will be possible for agricultural employment to be spread more evenly over the year. However, this, in itself is not enough. The surplus man-power potential must be absorbed by encouraging the provincial population to participate in the processing of agricultural products and by the extensive development of the cottage industries. In some regions it will be necessary to provide for a number of workers to find season occupation in agriculture during certain periods of the year and in the mining or factory industry or in the construction and maintenance of highways and canals during others. In addition, part of the surplus agricultural man-power will be absorbed by industrial production as soon as this will have been geared up by the Three Year Plan.

The production of mining and manufacturing industry as

estimated in the Three Year Plan requires an increase of the hands employed. However, this increase is not proportional, in all cases, to the rise production. The number of certain categories of operatives engaged in key enterprises will not increase proportionally; rationalisation, which increases the output even without the use of more man-power, will also make its effect felt.

Examined from the angle of man-power management, rationalisation means on the one hand that the scantily efficient manufacture of similar or identical consumption goods by factories dispersed in various parts of the country should discontinue and, instead, the centralisation of production and an increase of output coupled with the least rise of employment should be sought. On the other hand, within the works, the output per worker is to be raised to the optimum by the introduction and application of improved means of production and by the most rational arrangement of working processes, thus ensuring a more economical production.

The object of rationalisation is not to achieve a maximum, but an optimum output. In other words, the utilisation of man-power in a way that results not in increased demands on the worker, on the contrary, in more careful treatment of same, and that, by the application of more rational means of production simultaneously with a higher output. Obviously, this purpose can be realised only if each worker feels it his individual task to restore full workshop discipline. Neither rationalisation nor higher output can be achieved unless the operative fully appreciates the necessity of improved workshop discipline, a most important preliminary to the eventual success of the Three Year Plan. Improved workshop discipline and increased output not only gives the worker pride and confidence in his abilities, but also ensures him a secure social standing.

The number of workers employed in certain branches of the nation's economy - principally in the mining industry - where out-of-date production methods are still applied - will rise but slightly during the term covered by the Plan as large-scale investments provided for will modernise production methods without the need to call on additional labour. On the other hand, in the case of industries where working methods and means of production may be

considered more modern even to-day, the number of new employees called for will rise in proportion to the increased production.

According to the provisions of the Three Year Plan, it is expected that the number of workers in the mining and factory industries will increase between 1947 and 1948 by over ten per cent of the present figure, i.e. that it will be some 6.5 per cent higher than the 1938 level. This demand for additional labour can be met easily enough by drawing upon the present reserved of unemployed. While there are branches of industry where a shortage of skilled labour exists, it is expected that this shortage can be remedied gradually by teaching workmen new trades and by the suitable administration of available man-power reserves.

In the second year of the Plan i.e. the 1948-1949 period, it is expected that the number of operatives will increase by roughly twenty per cent over the present figure or 15.6 per cent over the 1938 level. This target, however, can be reached only if the man-power is made to flow into carefully selected channels. While we must not forget to take into account the reserve of labour arising out of the repatriation of the prisoners of war, it will still be necessary to put to work everyone actually not engaged in productive tasks. Such, for example, are the dismissed or inefficiently directed and grossly underpaid employees of over-dimensioned public enterprises or firms or persons earning illegal profits as middle-men. People of this kind only cause the costs of living to rise. Once they will have been given useful tasks, the total of productive working hands will increase and, at the same time, the costs of administering public enterprises and business organisations will decrease and superfluous middle-men will be eliminated. As a result, the costs of living will fall.

By the end of the third year covered by the Plan, the number of operatives will exceed the present figure by almost thirty per cent. The material accretion of industrial output provided for in the Plan will cause industrial unemployment to vanish by the end of the 1949-1950 year will thus absorb part of the surplus of agrarian workers. Obviously, the drafting into industry of such large masses of new workers is feasible only if proper training is provided on the basis of a carefully thought-out plan.

For reaching rationalisation, in the first place that of the man-power reserves is essential for all these results to materialise. Immense tasks have yet to be attended to in the fields of the education of skilled workers and in that of providing for men to replace superannuated experts of higher qualification. The progress of the nation's economy along a predetermined course greatly facilitates the realisation of these aims as it will allow for the right estimation of the demands to be made beforehand and for adequate and timely plans to be prepared for exploiting man-power to the best advantage.

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Development of the price and wage level during
the term of the Three Year Plan

The price and wage policy of the Three Year Plan must be brought into line with the over-all objectives set by the scheme. In other words, provision must be made to ensure, as compared to 1938, the bridging of the gap caused by the agrarian shears and to further the rise of the workers' standard of living (their real earnings) by some eighty per cent during the three years. Closing of the agrarian shears and the increase of real incomes - or, in other words - the raising of the living standard of the entire population, whether the agricultural classes or the physical and intellectual workers - all this is made feasible by the fact, following upon the realisation of the Three Year Plan, that the volume of goods available for inland consumption will surpass the 1946-1947 average by a mean of 27 per cent during the first year, 51 per cent during the second and 72 per cent during the third year under the Plan. Since the yearly average stands for the mean figure of the progressively rising stand of living during the respective year, a rise of a great deal more than 72 per cent should present itself during the last months of the 1949-1950 year. Moreover, it must not be forgotten that the burdens of State administration will, in the course of the execution of the Three Year Plan, be distributed more equitably than is the case at present. As a result, it will be possible for the real value of wages earned and of the money incomes of the farming population to be increased by even greater percentages than those above, and so by 80 per cent towards the end of the third year.

Apart from this purpose that is the primary target of the wage and price policy to be adopted under the Three Year Plan, we must not lose sight of the necessity to maintain at all costs the value of the forint in terms of stable currencies. This necessity in itself precludes the granting of an State subsidies on exports in the form of premiums or otherwise; measures of that nature would be tantamount to a form of devaluation. Under the Plan,

Hungary will have to export a very considerable quantity of industrial commodities so as to be able to cover her requirements in raw materials. Such exports are greatly impeded by the present state of affairs in which the inland price of a number of industrial articles is higher in Hungary than abroad. Consequently, if we desire to promote our exports of industrial commodities without State subsidies and without imperilling the exchange parity of the forint, the price level of these industrial commodities will have to be reduced gradually.

In so far as domestic relations are concerned, what we must aim at when realising our price policy is, on the one hand, to ensure the continuity and expansion of productive activity and conditions underlying reliable planning on the other. From both points of view it is desirable to maintain the greatest possible stability of price levels. At no cost must a gradual increase in the price level be allowed to occur. Such emergency would lead to the necessity of having ever and anon to adjust wages and salaries to the rising prices so as to secure the stability of real earnings; this would result in a state of permanent uncertainty in many segments of economic life. A scaling down of the price level, however, is quite permissible as one of the means of raising real earnings.

All the foregoing postulates require that the price policy adopted by the Three Year Plan be aimed at the stabilisation and, indeed substantial reduction of wholesale and retail prices alike. While, with an eye to closing the agrarian shears, the price of agricultural commodities will have to be augmented proportionally to that of industrial commodities, this must not involve an increase of living costs either.

The projected rate of increase in the real earnings is higher, than that of the lowering of prices to be reckoned with within the period of the Three Year Plan. It follows, therefore, that the desired rise in real earnings can be achieved only partially by the reduction of the price of consumption goods; in part normal earnings will have to be increased as well. We must not overlook the fact that any advance in the nominal earnings must not be permitted to cause an advance in retail prices; therefore, the gap between the prices obtained by the producer and those paid

by the consumer must be narrowed in the case of both agricultural and industrial commodities. This can be achieved principally by excluding superfluous go-betweens and, secondly, by reducing the middle-man's commission. Furthermore advantage must be taken of, where possible, of the price reducing factors of the purchase and distribution of commodities by cooperative societies. Parallel to the rise in turnover and the reform of our taxation system, consideration must be given to the question of reducing somewhat the taxes affecting the prices of consumption goods.

Our present taxation system still bears the mark of the initial difficulties resulting from the stabilisation of the forint currency. It is based largely on the indirect taxes, such as consumer and turnover taxes, consequently it affects, and to an unjustly large degree, those very classes whose meagre earnings are devoted principally to the purchase of consumption goods. The gradual introduction of a system of direct taxation and the imposition of progressive taxes on larger incomes will enable the treasury to reduce the rate of the consumer and turnover taxes and, in this way, to bring about a reduction in the gap between the price obtained by the producer and that paid by the consumer. However this, in itself, is insufficient. Stabilisation or reduction, respectively, of prices together with an advance of real earnings can be assured only if we succeed in reducing production costs simultaneously. This is why it is essential to the successful execution of our price policy that production be rationalised and production costs reduced consecutively, also that there should be material increase of the output per worker.

The foregoing automatically presents us with the requirements that will have to be borne in mind when moulding the relative level of wages and prices as for August 1947. The increase that has taken place already in the price of cereals was motivated by the disparity that had existed to the detriment of the price of cereals ever since the evolution of the stabilisation level. The increase of the prices of cereals was, at the same time, the first important step towards the attainment of one of the targets set by the Three Year Plan, namely to bring about the disappearance of the agrarian shears in relation to the 1938 level. At the same

time, we shall have to do away with the disparity that has existed since 1946 between the price of cereals and the price of other agricultural commodities, particularly animal products. It follows from the foregoing that minor rectifications only can take place in respect of the latter prices.

When studying the question of increasing the level of wages and salaries, the principle must be laid down that such increases must not be permitted to find expression in the retail prices of industrial products. Realisation of this principle will be made possible by a considerable increase in turnover following in the wake of the Three Year Plan and, as a consequence, improved exploitation of the productive capacity, scaled up efficiency per worker to be attained, finally the absolutely essential rationalisation.

Where experience acquired since the introduction of the stabilisation makes it possible, prices will have to be reduced even prior to the introduction of the Three Year Plan.

The financial implementation of the

Three Year Plan

The investments provided for in the Three Year Plan were decided upon the assumption that the economic, social and cultural rehabilitation of the country will have to be ensured even if we are left to our own resources alone. Nevertheless, there are also supplementary plans ready for the event of foreign loans of non-political terms being forthcoming which - no doubt - would speed up the process of recovery. The character of these additional plans, however, is such that a postponement in their realisation would not affect the rise of production and the improvement of living standards foreseen in the Plan. Our financial planning has also been drawn up on this conception and, for the present, is based solely on resources to be drawn from the inland production. According to our estimates, the national production will, within the first twelvemonth, already suffice not only to meet the basic demands of the population and to cover Hungary's international obligations, but will, in addition, yield a substantial surplus that will increase further in the subsequent years. It is up to the financial policy to cause these surpluses to accumulate in the shape of savings and to be made available indeed for the purpose of the contemplated investments.

The Three Year Plan provides for a total investment of 6,585 million forint to be divided among the following principal objectives:

Destination	Total invest- ments	value of annual investments in million forint		
		1947/48	1948/49	1949/50
Agriculture	2,000,0	579,4	651,0	769,6
Mining and Manufacturing	1,745,0	554,0	599,0	592,0
Communications and Postal services	1,676,0	427,3	560,0	688,7
Building, social and cul- cultural aims	1,164,0	235,3	375,0	553,7
Total:	6,585,0	1,796,0	2,185,0	2,604,0

Over and above the foregoing investments, further savings will be necessary in the interest of fostering production; for example, measures will have to be taken to ensure the rapid growth of our partially depleted live-stock aggregate and gradually to repair, or replace worn-out tools, machinery, transport installations, etc. or to remodernise obsolete building premises. Increasing production and turnover of goods will also require a rapid growth of working capital, which will find expression preponderantly in the rise of supplies of commodities. The plants will have to be provided with a volume of raw materials increasing from month to month and we shall have to revert to the normal state of affairs when every plant disposed of stocks large enough to cover its requirements months ahead. The stocks of finished goods held by the factories and trade in general will increase parallel to the rising pace of production. All these factors will call for additional substantial savings which, however, do not come within the framework of the Three Year Plan and that for reasons given below.

If the breeding potential of the present live-stock aggregate is exploited to the full, the increase of our live-stock capital should represent a sum of 1,100 million forint by the end of the coming year period. This capital increase however will result from the peasants' marketing less live-stock than usual, every suitable animal being applied to breeding purposes. In this way, the peasants will waive a certain amount of purchasing power and thus provide cover for the capital accretion; in other words, no special provision need to be made on the financial side.

The capital accretion resulting from the building of houses for the rural population will surpass, by far, the amount allocated for this purpose. This is due to the circumstance that the value of the manual labour to be contributed by the peasants in building on their own account as well as that of building materials available on the spot - estimated as representing a value of between two and three hundred million forint during the three year period - does not fall within the scope of finances.

In the same way, no provision need be made for renewals - valued at a total of 1,600 million forint - required by agriculture, mining and manufacturing during the three year period. The cost of these renewals will have to be covered from the price of

goods produced, a circumstance which has been taken into consideration when determining the current prices.

Finally, no account has to be taken either of the value of the anticipated accretion of working capital and commodity stocks, respectively, - assessed at 3,000 million forint, - as the resulting demand for money will have to be covered by the growth of the note circulation following in the wake of increased production on the one hand and from the anticipated increase of deposits on the other. The increase of working capital during a given period will be determined primarily by the development of the note circulation and of the deposits.

The growth of national revenue estimated in the Plan will permit us - even with such pace of capitalisation - to provide the working masses with a continually increasing volume of consumption goods and to raise their real incomes in the measure foreseen.

Obviously, it will be necessary, in the interest of the investments envisaged under the Three Year Plan, for the Government to ensure that the volume of goods and money available be indeed applied to the realisation of the Plan and not withdrawn for direct consumption, for luxuries or for enterprises yielding momentary individual profits but of no value in so far as the Plan is concerned. Where necessary, the supreme interests of the nation involved in the Plan must be safeguarded by the introduction of prohibitive or compulsory measures.

If a parallel is drawn between the past and the future, a very material change, to the advantage of the working masses can already be registered in this field too. Hungarian industry owes its growth also during the period between the two world wars to compulsory thrift. However, the shape it assumed then was one in which the body of consumers was exploited for the profit of the industrial great capitalists. Customs tariffs, restrictions on imports and cartel agreements kept the price of industrial commodities at artificial high level; thus, what investments were indeed realised were financed by part of the profit made by private capital. What we aim at in the Three Year Plan is the proportional distribution of the burdens; savings are to be ensured principally by way of taxation, thus the economically feeble are to be protected whereas the wealthy classes will have to bear progressive burdens.

Very substantial surpluses are foreseen in the budgets of the State and the autonomies. These revenue surpluses ensure financial cover for eighty-five per cent of the investments foreseen in the Plan, in other words, the Plan is to be financed preponderantly from the State's and autonomous bodies' tax receipts, and from the yield of ordinary and special taxes. Since the stabilisation, the Government of democratic Hungary has already introduced stringent progressivity in our tax system; it has, in other words, moved in the direction of the realisation of fundamental social principles. Our tax system and improved tax administration ensure, as is also foreseen in the Three Year Plan, that a material increase of receipts will take place concurrent with the rehabilitation of economic life. The tax returns for the past months have already - calculated on the basis of the whole year - surpassed the figure of 3,400 million forint. For the first year of the plan, the revenue on existing taxation is expected to amount to 3,840 million forint, i.e. to be only 12 per cent in excess of the present tax receipts. The anticipated current tax receipts for the second and third year are 4,350 and 5,000 million forint, respectively. These estimates are in keeping with the anticipated growth of inland production.

Apart from a more efficient collection of existing taxes, financial contribution to the Three Year Plan will also be forthcoming from a capital levy and the imposition of radical taxes on war-time and inflationary profits; these measures realise one of the most important demands of the new democracies in the field of tax policy. By the imposition of these two new taxes, the wealthier classes will also assume their due share of the proposed investments. In the course of the coming three years, a revenue of roughly 1,700 million forint will have to be assured from this source. The scale of the capital levy and the profit tax must be strongly progressive. Only fortunes of at least 75,000 forint will be affected; the initial rate is 6 per cent. Payments shall be made in instalments over a period of three years. Agricultural estates of less than twenty-five cadastral acres will be exempt from the levy.

A "Plan Loan" of roughly 900 million forint will have to be floated as partial cover for the Plan; this loan will be issued in half yearly instalments so as to make it possible for the savings

of the public - also expected to accumulate substantially as a consequence of the Plan - to be "skimmed" and put to profitable use. Finally, use will naturally have to be made for the cover of the plan of the surpluses estimated to amount to 500 million forint of state- and nationalized enterprises and works. The above amount comprises also advances in connection deliveries to be effected by State enterprises to foreign countries. Such advances are to constitute the greater part of the surpluses of the State enterprises in the 1947-1948 year.

The State Budget will have to be drawn up as follows in keeping with the above demands:

	Three Years	1947/48	1948/49	1949/50
Total				
M i l l i o n F o r i n t				
Revenue:				
Taxes and State monopolies	13,190	3,840	4,350	5,000
Special taxes	1,740	525	580	635
Plan Loan	860	190	290	380
State enterprises' surpluses	497	122	168	207
Total:	16,287	4,677	5,388	6,222
Expenditure:				
Personal expenses	4,100	1,150	1,350	1,600
Current material expenses	2,700	700	900	1,100
Investments	4,387	1,327	1,438	1,622
International liabilities	5,100	1,500	1,700	1,900
Total:	16,287	4,677	5,388	6,222

The State expenditure available for investments constitute precisely two-thirds of the total investments of the Plan. The other public bodies, in the first place the Municipality of Budapest, the provincial autonomies, and, to a lesser extent, the social insurance institutes will have to participate in the realisation of the Plan with 1,176 million (18 per cent). In other words, 85 per cent of the total investments will be covered from tax receipts. Furthermore one may count - with the expansion of the joint Hungarian-Soviet enterprises - on financial participation by the Soviet-Union to the extent of 151 million forint (2 per cent), and on savings accumulating with the cooperative societies to a total of 280 million forint (4 per cent); the balance of 590 million (9 per cent) will have to be provided by private capital.

The following amounts derived from various sources will have to be made available annually for the purpose of investments:

Origin of financial cover	Three Years 1947/48 1948/49 1949/50			
	Total			
	M i l l i o n		F o r i n t	
State and State enterprises	4,386.9	1,326.5	1,438.1	1,622.3
Other public bodies	1,175.6	269.6	404.3	501.7
Contribution of the Soviet-Union towards the investments of joint Hungarian-Soviet enterprises	151.1	42.5	53.1	55.5
Cooperative societies	280.5	36.0	90.4	154.1
Private capital	590.9	121.4	199.1	270.4
Total:	6,585.0	1,796.0	2,185.0	2,604.0

It follows from the present state of the nation's economy that the Government will have to launch the investments programme; only later on, with the gradual strengthening of economic life, will be possible to increase the investments by the autonomies, cooperative societies and private capital, simultaneously with a proportional decrease in the participation of the Government. During the first year, 73.7 per cent of the investments will be covered by the Government, 15 per cent by other public bodies and only 11.3 per cent will have to be provided from cooperative and private sources, including, in the latter the participation of the Soviet Union as well. In the second and third year, Government participation will fall to 66 and 62.4 per cent respectively, while that of the autonomous bodies will rise to 18.6 and 19.3 per cent and that of the cooperative societies and private capital to 15.4 and 18.3 per cent, respectively.

It will be necessary in respect of each single item, to determine in detail at what time, from what source and to what amount the cover for the envisaged investment is forthcoming. The repartition of the respective amounts is indicated on the table shown on Page 29. Within the frame of the Three Year Plan there shall be drawn up a more detailed execution Plan for one year and the context there of dealing with the budgets of the autonomies shall be inserted as a separate annexe in the Budget Estimates of the State and of the public autonomies for 1947/48. Finally, a monthly execution plan shall be drafted taking into account the amounts currently

available from other financial sources. It is the duty of the "National Planning Office" and the "National Planning Council" to direct the execution of the Plan in keeping with the existing possibilities without however losing sight at any time of the ultimate targets in view. In this way, the financial policy of the Plan will be flexible in the course of its everyday execution while, at the same time, admitting no compromise as regards the objectives envisaged for each single year.

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How shall we realise the Three Year Plan ?

Our exposition would not be complete if it contained no reference to the fundamental legislative and structural conditions underlying the implementation of the Three Year Plan. Agreement has been reached in this respect too by the competent experts of the parties in the Coalition Government and the necessary conditions have already been established.

The first and most essential step was the passage of a bill on the provisions of the Three Year Plan. It is by means of legislation only that the accomplishment of the Plan can be secured freedom from the vagaries of political turmoil, that the furthering of the success of the Plan can be made an imperative task for all citizens and that the Government can be empowered to promulgate the necessary decrees of execution.

The law passed by Parliament states that an economic plan of three years to begin on August 1. 1947 shall be drawn up in the interest of encouraging the economic and cultural rehabilitation of the country as well as in that of the consolidation of the democratic régime; Such Plan should ensure the intensified application and rationalised use of productive energy and the coordination of the various branches of production in the interest of the masses. The law makes it binding for every Hungarian and every foreigner in possession of a working permit in Hungary to collaborate to the maximum of his powers and abilities in furthering the aim of the Plan and to place all moral and material means at his command in the service of the Plan. It goes without saying that these prescriptions apply equally to Hungarian legal persons (joint-stock companies, cooperative societies, etc.) and to foreign legal persons possessing assets serving economic purposes in Hungary.

The law authorises the Government to work out in detail and execute the Plan and provides for the setting up of a "National Planning Council" and a "National Planning Office" in the interest of the accomplishment of this work. The Government is further authorised to promulgate decrees necessary for the execution of the

Plan. Finally, the law declares any contravention of such decrees and, in general, any obstruction of the accomplishment of the Plan to be a criminal offence, thus making it possible to punish with the full rigour of the Law the enemies of the Hungarian people, enemies that might seek to thwart the aims of the Three Year Plan.

The Government organisation necessary for the implementation and execution of the Plan consist of the "National Planning Council" and the "National Planning Office" created under the terms of the law to which reference has been made above. It is incumbent upon the "National Planning Council" to assert the opinion and will of the political parties forming the coalition and that of the organisations representing the working masses. The members of the Council are appointed by the President of the Republic from among the representatives of the four political parties in the Coalition, the Trades Union Council, the National Agricultural Council and the National Centre of Cooperative Societies. By virtue of an inter-party understanding, the Coalition parties are to be represented in the Council by an equal number of delegates from each party. The Council examines all questions affecting the execution of the measures provided for in the Plan as well as all details thereof, always bearing in mind the actual economic situation, and submit its respective proposals to the Government. The Council will not decide by vote upon the various problems submitted to it for examination. When all the different aspects of the case have been given careful and objective consideration, common agreement must be reached with the Council between all parties concerned. Should this prove unfeasible in respect of some question, the relative matter has to be laid before the Council of Ministers, or should the Council of Ministers so desire, before the Supreme Economic Council.

The "National Planning Office" shall provide for the practical realisation of principles laid down according to the foregoing procedure; in other words, it is incumbent upon the "National Planning Office" to elaborate the details and to direct and control the execution of the Plan. The "National Planning Office" will periodically frame detailed plans related to the various branches of State and administrative life. Final approval to the plans drafted shall be given by the Council of Ministers.

The "National Planning Office" is an organisation administered by but a small staff and is divided into general administrative, financial, agricultural, mining, industrial, commercial, transport, construction- and social-cultural departments. Experts with the highest qualifications have been invited to serve in the Planning Office. Their task cannot be compared to the scope of any office formerly existing in Hungary. The Three Year Plan, as outlined in the foregoing, is but a framework which must now be filled with life; the targets at which it aims must be attained by conforming flexibly to the hundred and one ever-changing demands of every-day life. While the plan allocates the yearly amounts to be spent on investments, in point of fact it will be necessary to frame detailed plans for every month. In other words, decision will have to be reached as to the purpose to which the actual financial and material surpluses can best be put within the framework of the Plan. It is the duty of the "National Planning Office" to exploit these possibilities fully and, at the same time, to keep constant watch that progress is being made towards the ultimate goals.

Supervision of the measures introduced for the realisation of the Plan is of no less significance. Control can be really effective only if it reaches down to each single enterprise. The managers of enterprises important from the point of view of the Plan, therefore, must appoint a "Plan Commissioner" from among their staff; it will be the duty of this person to supply the "National Planning Office" regularly with information as to progress made by the respective plant in furthering the aims of the Plan, or what, if any, are the obstacles which may present themselves.

An adequate financial organisation is also part and parcel to the carrying out of the Plan. In order to enable the Hungarian credit system to be equal to the new duties, i.e. to manage the necessary financial operations inexpensively, efficiently and in everyway to the interest of the masses, far-reaching rationalisation and the extension of absolute State control will have to take place in the banking business. As a rule, in every country that switched over to planned economy, the big financial institutes were nationalized. This has happened even in France, not to mention those countries whose economic structure is far more similar to that of

Hungary; such, for example are Czechoslovakia, Poland, Yugoslavia and Bulgaria.

It is an imperative necessity in Hungary too that the principal financial institutes should be nationalised and that the other banks be placed under strict State control. Nevertheless, nationalisation must be carried out in such a way as to ensure that neither the economic and financial life of Hungary nor her connections with foreign countries should be interfered with. This is why one of the very first tasks awaiting the newly assembled Parliament will be the nationalisation of the National Bank of Hungary and of the two largest financial enterprises in the country - the Hungarian Commercial Bank of Pest and the Hungarian General Creditbank - as also of the other principal banks (those known as belonging to the first category of banking institutes). Only such part of the shares in the financial institutes will pass into the hands of the State as represents inland property. Former holders of the shares are to receive indemnity. The position of the shares forming the property of foreign share-holders is not affected. The financial enterprises to be nationalised are permitted to retain their firms registered their legal personalities and their participations in other enterprises. Absolute State control over the credit system can be enforced in this manner, too. Naturally, all banking enterprises will be immediately subject to strict State control; in point of fact. Government commissioners have already been delegated by the Minister of Finance to all banks coming within the first category of registered banks. The Government commissioners will ensure that the activities of the financial institutes fit into the overall economic and financial policy and that they should be in keeping with the demands connected with the realisation of the Plan.

The understanding prevailing among the different political parties as to the execution of the fundamental provisions of the Plan ensure that the same will not remain a scrap of paper. The legal measures envisaged, the representation of the political parties in the "National Planning Council", the ability of the experts administering the "National Planning Office", the placing of the credit system under State control and the collaboration of the "Plan Commissioners" will serve to enforce the determination of the people of Hungary as to the accomplishment of their economic and cultural aims.

T A B L E S

AGRICULTURAL INVESTMENTS

No.	Destination of investment	Three year total	1947- 1948	1948- 1949	1949- 1950
Investments in million forint					
I. INVESTMENTS DIRECTLY SERVING FOR THE DEVELOPMENT OF AGRICULTURAL PRODUCTION:					
1.	Establishment of fifteen new plant improvement centers	10'0	4'0	3'0	3'0
2.	Supply of improved sowing seed	39'0	10'0	14'0	15'0
3.	Construction of fodder silos 1/	6'0	1'4	2'0	2'6
4.	Establishment of model yard manure centers 1/	6'0	1'4	2'0	2'6
5.	Supply of artificial fer- tilizer	39'0	19'0	10'0	10'0
6.	Plant hygiene	5'0	5'0		
7.	Danube-Tisza canal	29'5	8'0	10'0	11'5
8.	Irrigation and other relat- ed works	76'0	20'0	25'0	31'0
9.	Vineyards, horticulture, gardening, bee-keeping	98'0	22'0	20'0	16'0
10.	Sericulture	5'0	1'5	1'5	2'0
11.	Improvement of alkali and sour soil	33'0	11'0	10'0	12'0
12.	State real estates	29'5	9'0	10'0	10'5
13.	Mechanization	345'0	80'0	120'0	145'0
14.	Live-stock breeding	144'0	50'0	44'5	49'5
15.	Live-stock hygiene	6'0	2'1	2'0	1'9
16.	Afforestation	55'0	15'0	19'0	21'0
17.	Regrouping of landed es- tates	26'0	4'0	9'0	13'0
Total:.....		912'0	265'4	302'0	346'6
II. TECHNICAL INSTRUCTION AND CONDUCT OF AGRICULTURAL RESEARCH:					
18.	Agrarian university, school farms, instruction on elem- entary and advanced sub- jects, etc., libraries, films, training schools, etc., ex- perimental stations				
Total:.....		90'0	25'0	29'0	36'0

1/ - The 12 million forint assigned to items No. 3 and 4 may be applied to either purpose in case of need.

No.	Destination of Investment	Three year total	1947- 1948	1948- 1949	1949- 1950
Investments in million forint					
III. INVESTMENTS INDIRECTLY SERVING FOR THE DEVELOPMENT OF AGRICULTURAL PRODUCTION:					
19.	Expansion and reorganiza- tion of agricultural indus- tries	47'0	15'0	15'0	17'0
20.	Storage and refrigeration facilities	24'0	6'0	8'0	10'0
21.	Anti-flood measures and de- fence against sub-soil wa- ter	22'0	6'0	7'0	9'0
22.	Subsidies to co-operatives	12'0	2'0	4'0	6'0
	Total:.....	105'0	29'0	34'0	42'0
IV. ASSISTANCE TO MANUFACTURING INDUSTRY WITH THE OBJECT OF INCREASING AGRICULTURAL PRODUCTION:					
23.	Increase of the artificial fertilizer production	82'0	46'0	19'0	17'0
24.	Increase of the production of agricultural machinery and tractors	40'0	18'0	10'0	12'0
25.	Electric grid	67'0	21'0	22'0	24'0
	Total:.....	189'0	85'0	51'0	53'0
V. RURAL ELECTRIFICATION, CONSTRUCTION OF ROADS AND HOUSES, ETC.					
26.	Enrollment of 250,000 new consumers of electric cur- rent	100'0	27'0	33'0	40'0
27.	Construction of secondary roads	112'0	32'0	39'0	41'0
28.	Construction of narrow gauge railways	42'0	10'0	14'0	18'0
29.	Construction of schools and homes for teachers and med- ical practitioners	170'0	38'0	55'0	77'0
30.	Construction of homes in rural settlements	272'0	68'0	91'0	113'0
31.	Cottage industry development	8'0	2'0	3'0	3'0
	Total:.....	704'0	177'0	235'0	292'0
	I-V. Total:.....	2000'0	579'4	651'0	769'6

2/ - Of this amount, 8 million (3+3+2) assigned for the establishment of experimental stations and factories for the canning industry.

No.	Destination of investment	Three year total	1947- 1948	1948- 1949	1949- 1950
Investments in million forint					
VI. FURTHER INVESTMENTS IN CASE OF FOREIGN LOANS FORTHCOMING:					
	Danube-Tisza canal	20'0	...	...	...
	Irrigation	57'0	...	...	...
	Soil improvement	45'0	...	...	...
	Electric grid	20'0	...	...	...
	Enrollment of new consumers of electric current	30'0	...	...	...
	Other purposes	128'0	...	...	...
	Total:.....	300'0	...	...	...

INVESTMENT IN MINING AND MANUFACTURING

No.	Destination of investment	Three year total	1947- 1948	1948- 1949	1949- 1950
Investments in million forint					
I. MINING:					
1.	Development of coal mines .	380'0	110'0	130'0	140'0
2.	Levelling equipment for the mines of Recsk	3'0	...	3'0	...
3.	Utilization of natural gas (Lispe-Budapest pipe-line or other installations) ...	65'0	20'0	25'0	20'0
4.	Crude oil prospecting	45'0	10'0	15'0	20'0
	Total:.....	493'0	140'0	173'0	180'0
II. SMELTING:					
5.	Ore preparator plant of Ozd	20'0	10'0	10'0	...
6.	Ferromanganese foundries, rationalization of iron-ore mines and other preparatory installations (at Diosgyör, Urkut, etc.)	30'0	12'0	10'0	8'0
7.	Martin furnaces (at Dios- györ, Ozd) and other items .	8'0	4'0	2'0	2'0
	Total:.....	58'0	26'0	22'0	10'0
III. IRON AND STEEL PRODUCTION:					
8.	Rolling mills (supplements)	9'0	4'0	3'5	1'5
9.	Manfred Weiss Tube Factory, supplements	14'0	4'0	4'0	6'0
10.	Expansion of forges	15'0	4'0	6'5	4'5

No.	Destination of investment	Three year total	1947- 1948	1948- 1949	1949- 1950
		Investments in million forint			
11.	Steel foundries, iron foundries and electric furnaces	53.0	21.0	18.0	14.0
12.	Other investments in iron industry	28.0	13.0	10.0	5.0
	Total:.....	119.0	46.0	42.0	31.0

IV. METALLURGY:

13.	Aluminium smelting works ..	2.0	...	1.0	1.0
14.	Manfred Weiss aluminium rolling mills and aluminium foundry	8.0	2.0	3.0	3.0
15.	Metallurgical rolling mills	10.0	2.5	3.0	4.5
	Total:.....	20.0	4.5	7.0	8.5

V. MANUFACTURE OF MACHINERY:

16.	Expansion of machine tool industry	25.0	8.0	10.0	7.0
17.	Adding to Ganz shipyards ..	43.0	13.5	17.0	12.5
18.	Expansion of boiler-making industry	5.0	...	2.0	3.0
19.	Expansion of flour-mill machinery manufacturing	5.0	...	2.0	3.0
20.	Expansion of industry engaged in manufacture of transport installations ...	5.0	...	2.0	3.0
21.	Expansion of wagon and locomotive manufacturing	37.0	12.0	12.0	13.0
22.	Expansion of general machine manufacturing	158.0	66.0	52.0	40.0
23.	Expansion of electricity industry	140.0	60.0	35.0	45.0
	Total:.....	413.0	159.5	130.0	123.5

VI. GENERATION OF ELECTRIC POWER:

24.	Total:.....	200.0	50.0	80.0	70.0
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VII. BUILDING MATERIAL INDUSTRY:

25.	Smaller additions to the building material industry	11.0	1.5	4.5	5.0
26.	Expansion of the glass industry	5.0	1.0	1.5	1.5
	Total:.....	16.0	2.5	6.0	6.5

VIII. WOOD INDUSTRY:

27.	Total:.....	8.0	2.0	2.5	3.5
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No.	Destination of investment	Three year total	1947- 1948	1948- 1949	1949- 1950
Investments in million forint					

IX. LEATHER INDUSTRY:

28.	Total:.....	8'0	...	3'0	5'0
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X. TEXTILE INDUSTRY:

29.	Cotton spinners installation of 120,000 spindles ..	80'0	35'0	19'0	26'0
30.	Expansion of Viscosa factory and purchase of important spare parts	4'0	2'0	1'0	1'0
	Total:.....	84'0	37'0	20'0	27'0

XI. PAPER INDUSTRY:

31.	Manufacture of cellulose, construction of wood-polishing installations and development of the related processing industry	15'0	4'0	4'5	6'5
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XII. FOODSTUFF INDUSTRY:

32.	Total:.....	22'0	7'0	7'0	8'0
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XIII. CHEMICAL INDUSTRY:

33.	Expansion of the "Hungaria" factory, increased manufacture of superphosphates and caustic natron	8'0	2'0	3'0	3'0
34.	Modernization of alumina processing (at Ajka and Magyaróvár)	16'0	5'0	5'0	6'0
35.	Construction of a new alumina processing factory (at Almasfüzitő or elsewhere) .	150'0	40'0	55'0	55'0
36.	Construction of an anode-mass factory	8'0	...	3'0	5'0
37.	Expansion and modernization of oil refineries	46'0	15'0	15'0	16'0
38.	Development of penicillin manufacturing	5'0	...	2'0	3'0
39.	Expansion of manufacture of other medical supplies	2'0	...	1'0	1'0
40.	Expansion of manufacture of aniline dyes	2'2	1'0	0'5	0'7
41.	Manufacture of peroxide of hydrogen	0'5	...	0'5	...
42.	Manufacture of carbonic acid and oxygen	11'5	3'0	4'0	4'5
43.	Other chemical purposes ...	2'8	...	1'0	1'8
	Total:.....	252'0	63'0	90'0	96'0

No.	Destination of investment	Three year total	1947- 1948	1948- 1949	1949- 1950
Investments in million forint					

XIV. PRINTING INDUSTRY:

44. Total:..... 7'0 | 1'5 | 2'0 | 3'5

XV. HANDICRAFT INDUSTRY:

45. Total:..... 30'0 | 7'0 | 10'0 | 13'0

I-XV. Total:..... 1745'0 | 554'0 | 599'0 | 592'0

XVI. IN THE CASE OF FOREIGN LOANS FORTHCOMING:

46.	I. Mining				
	Construction of a distill- ery at Pécs	25'0	...	...	...
	III. Iron and metal indus- try				
	Modernization of rolling mills	45'0	...	...	...
	IV. Manufacture of ma- chines				
	Modernization of electric industry	75'0	...	...	...
	IX. Textile industry				
	Expansion of the artifi- cial silk industry	60'0	...	...	...
	XIII. Chemical and paper industry				
	Manufacture of cleansing earth	10'0	...	...	...
	Construction of a chlorine and cellulose factory	15'0	...	...	...
	Construction of a soda fac- tory	150'0	...	...	...
	Total:.....	380'0	...	...	...

INVESTMENTS IN MEANS OF COMMUNICATIONS

No.	Destination of investment	Three year total	1947- 1948	1948- 1949	1949- 1950
Investments in million forint					

I. STATE RAILWAYS:

1.	Railway tracks	88'1	18'2	33'2	36'7
2.	Railway bridges	176'9	67'7	56'2	53'0
3.	Long distance signalling services and security de- vices	103'0	22'3	37'1	43'5

No.	Destination of investment	Three year total	1947- 1948	1948- 1949	1949- 1950
Investments in million forint					
4.	Reconstruction of rolling stock	70.4	12.2	23.4	34.8
5.	Acquisition of rolling stock	57.7	5.5	14.3	37.9
6.	Electrification	41.7	11.1	17.8	12.8
7.	Reconstruction of workshops	72.9	17.5	24.9	30.5
8.	Installations serving the traffic of goods	41.4	4.4	17.7	19.3
9.	Shunting yards	72.2	16.8	20.7	34.7
Total:.....		724.3	175.7	245.3	303.3

II. MUNICIPAL TRANSPORT COMPANY OF THE CITY OF BUDAPEST AND OTHER PUBLIC RAILWAYS:

10.	Total:.....	187.2	48.2	58.7	80.3
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III. SHIPPING:

11.	Acquisition and reconstruction of steamers, etc.	63.6	21.8	25.9	15.9
12.	Construction of waterways ..	17.0	9.9	3.3	3.8
Total:.....		80.6	31.7	29.2	19.7

IV. AIR TRANSPORT:

13.	Total:.....	39.0	9.3	12.7	17.0
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V. HIGHWAY TRAFFIC:

14.	Construction of highway bridges	190.2	51.1	63.5	75.6
15.	Construction of highways ..	88.1	20.4	31.3	36.4
16.	Acquisition of automobile vehicles	140.4	37.1	46.9	56.4
Total:.....		418.7	108.6	141.7	168.4

VI. POSTAL SERVICES:

17.	Telephone trunk lines	14.7	5.0	6.2	3.5
18.	Telephone exchanges	128.6	26.0	35.2	67.4
19.	Overhead telegraph wires ..	44.2	9.9	15.3	19.0
20.	Radio	38.7	12.9	15.7	10.1
Total:.....		226.2	53.8	72.4	100.0

I-VI. Total:.....	1676.0	427.3	560.0	688.7
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VII. IN THE CASE OF FOREIGN LOANS FORTHCOMING:

Postal installations, trunk lines	192.0	...	...	...
Construction of waterways ..	27.6	...	...	...
Total:.....	219.6	...	...	...

INVESTMENTS
SERVING BUILDING, SOCIAL AND CULTURAL PURPOSES:

8.

No.	Destination of investment	Three year total	1947- 1948	1948- 1949	1949- 1950
Investments in million forint					
I. BUILDING PROGRAM:					
1.	Construction and recondi- tioning of lodgings in Bu- dapest	268·4	44·0	90·0	134·4
2.	Construction and recondi- tioning of lodgings in pro- vincial towns	130·0	19·0	36·0	75·0
3.	Construction of lodgings in mining and metallurgical areas	90·0	18·0	25·0	47·0
	Total:.....	488·4	81·0	151·0	256·4
II. CONSTRUCTION OF SANITARY AND SOCIAL INSTITUTES:					
4.	Construction and repair of hospitals	270·0	60·0	95·0	115·0
5.	Establishment of infants' crèches, infant schools and day-homes	35·0	6·6	9·5	18·9
6.	Construction of a Sports Stadium in Budapest	10·0	3·0	7·0	...
7.	Construction of playing fields in the province	6·0	1·0	1·0	4·0
8.	Establishment of settle- ments for war-veterans	2·0	0·4	0·4	1·2
9.	Reconstruction of premises on St. Margaret Island	23·0	6·5	8·0	8·5
10.	Reconstruction of two ho- tels in the capital	10·0	2·0	3·2	4·8
11.	Reconstruction of provin- cial tourist hotels	9·0	2·0	3·0	4·0
	Total:.....	365·0	81·5	127·1	156·4
III. ESTABLISHMENT OF SCHOOLS, INSTITUTES OF SCIENCE, ARTS AND CULTURE:					
12.	General schools	42·0	10·2	12·8	19·0
13.	Apprentice schools	9·0	2·5	3·0	3·5
14.	University of Polytechnics and related people's coll- ege	36·0	10·5	12·0	13·5
15.	High Schools and related people's colleges	24·0	5·5	6·5	12·0
16.	Teachers' High Schools and related people's colleges .	23·0	6·5	8·0	8·5
17.	Economic Institutes of Science	15·0	4·0	5·0	6·0

No.	Destination of investment	Three year total	1947- 1948	1948- 1949	1949- 1950
Investments in million forint					
18.	Institute of Didactic Sci- ences	6'0	2'0	2'0	2'0
19.	Repair of institutes of science and collections ...	8'0	2'0	2'4	3'6
20.	Restoration of institutes of art	4'2	1'0	1'4	1'8
21.	Construction of cultural centers	10'4	1'2	1'2	8'0
22.	Expansion of film industry	8'0	2'0	3'0	3'0
23.	Construction of cinemas to be used for educational purposes	7'0	1'5	2'0	3'5
Total:.....		192'6	48'9	59'3	84'4

IV. PUBLIC CONSTRUCTIONS, PUBLIC UTILITIES:

24.	Repair of public construc- tions and buildings	38'0	7'5	12'0	18'5
25.	Construction of water-mains, sewers, slaughter-houses, re- frigerator plants, etc.	80'0	16'4	25'6	38'0
Total:.....		118'0	23'9	37'6	56'5
I-IV. Total:.....		1164'0	235'3	375'0	553'7

V. IN THE CASE OF FOREIGN LOAN FORTHCOMING:

Investments	150'0	...	...	...
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PRODUCTION OF AGRICULTURE IN 1938/39 ..1/

10.

Product	Land sown 1000 hectares	Average yield quintal per hectare	Total yields 1000 quintals	Total value in million forint
A) ARABLE LAND YIELD				
Wheat	2813	9·6	26,883	1129·1
Rye	1098	7·3	8,049	297·8
Barley	788	9·2	7,240	267·9
Oats	390	8·0	3,104	114·8
Vaize	2040	13·0	26,620	845·7
Potatoes	506	42·3	21,406	460·2
Sugar-beet	77	126·7	9,694	221·0
Fodder-beet	242	145·5	35,210	103·9
Pulse, principal products	85	.	532	37·4
Pulse, by-products	739	.	452	31·8
Tobacco	25	8·0	196	46·8
Oleaginous plants principal pro- ducts	63	.	590	35·9
Oleaginous plants by-products ...	349	.	238	14·7
Fibrous plants ..	29	.	836	24·3
Lucerne hay	391	27·5	10,762	153·9
Lucerne seeds ...	.	.	66	36·6
Other fodder crop (hay yield) ...	822	.	34,991	179·1
Kitchen garden and aromatic plants grown on arable land ...	.	.	.	.
Rice	171	.	.	279·4
Other plants	.	.	.	.
Straw and maize stalks	.	.	132,704	462·0
Fallow ground and withered crops	230	-	-	-
TOTAL ARABLE LAND YIELD	<u>9770</u>	.	.	<u>4742·1</u>
B) MEADOWS AND PASTURES				
Yield of meadows (hay)	1121	16·3	18,316	134·4
Hay value of grazing	.	.	27,990	175·4
TOTAL MEADOWS AND PASTURES	<u>2799</u>	.	<u>46,306</u>	<u>310·8</u>

1/ Consideration must be paid to the fact that the 1938/39 crop greatly surpassed the average yield for the last decade before the war, particularly so in cereals..

Product	Land sown 1000 hectares	Average yield quintal per hectare	Total yields 1000 quintals	Total value in million forint
C) GARDENS AND VINEYARDS				
Kitchen garden plants (including melons) ...	208	.	8,875	145.5
Fruit (excluding grapes and melons)		.	1,784	89.2
Grapes	380	.	442	30.9
Wine (1000 Hl.) ..		8.9	3,309	330.9
GARDEN AND VINEYARDS TOTAL ...	<u>588</u>	.	.	<u>596.5</u>
D) EXPLOITATION OF TIMBER RESOURCES	<u>4</u>	.	<u>23,000</u>	<u>250.0</u>
E) EXPLOITATION OF RUSH BEDS ..	<u>53</u>	.	.	<u>6.0</u>
<u>Total plant production</u>	<u>15,274</u>	.	.	<u>5905.4</u>
F) LIVESTOCK BREEDING				
Slaughter of animals	-	-	5,747	1870.8
Yard manure production	-	-	200,000	243.0
Accretion of livestock	-	-	-	168.0
Flesh yield of poultry	-	-	1,702	723.1
Egg yield	-	-	695	298.9
Milk yield (1000 Hl.)	-	-	16,362	1069.6
Wool yield	-	-	59	41.5
Feather yield ...	-	-	59	47.2
Fishing	-	-	81	28.3
Game	-	-	.	17.0
Bee-keeping	-	-	20	20.0
Sericulture (cocoon production in quintals)	-	-	2,700	1.5
<u>Total of animal production</u>	-	-	.	<u>4528.9</u>
<u>TOTAL OF AGRICULTURAL PRODUCTION</u>	.	.	.	<u>10,434.3</u>

ESTIMATED PRODUCTION OF AGRICULTURE IN 1947/48

12.

Product	Land sown 1000 hectares	Average yield quintal per hectare	Total yields 1000 quintals	Total value in million forint
A) ARABLE LAND YIELD				
Wheat	2500	7.0	17,500	735.0
Rye	1000	5.6	5,600	207.2
Barley	775	6.8	5,270	195.0
Oats	350	6.3	2,205	81.6
Maize	2050	10.0	20,500	651.3
Potatoes	515	35.0	18,025	387.5
Sugar-beet	120	75.0	9,000	205.2
Fodder-beet	140	100.0	14,000	41.3
Pulse, principal products	70	.	421	29.0
Pulse, by-products	740	.	359	24.7
Tobacco	33	6.6	231	55.3
Oleaginous plants principal pro- ducts	500	.	2,407	153.5
Oleaginous plants by-products ...	500	.	350	23.0
Fibrous plants ..	36	.	736	16.5
Lucerne hay	364	20.0	7,280	104.1
Lucerne seeds ...	(80)	1.2	96	52.8
Other fodder crop (hay yield) ...	685	.	21,981	114.5
Kitchen garden and aromatic plants grown on arable land ...	130	.	.	236.8
Rice	15	14.0	210	27.3
Other plants	105	.	.	56.7
Straw and maize stalks	.	.	94,220	328.0
Fallow ground and withered crops	382	-	-	-
TOTAL ARABLE LAND YIELD	<u>9770</u>	.	.	<u>3726.3</u>
B) MEADOWS AND PASTURES				
Yield of meadows (hay)	1110	12.0	13,320	97.6
Hay value of grazing	.	.	22,296	140.5
TOTAL MEADOWS AND PASTURES	<u>2787</u>	.	<u>35,616</u>	<u>238.1</u>

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Product	Land sown 1000 hectares	Average yield quintal per hectare	Total yields 1000 quintals	Total value in million forint
C) GARDENS AND VINEYARDS				
Kitchen garden plants (including melons) ...	208	.	6,567	121.7
Fruit (excluding grapes and melons)		.	1,600	80.0
Grapes	380	.	450	31.5
Wine (1000 Hl.) ..		8.4	3,200	320.0
GARDEN AND VINEYARDS TOTAL ...	<u>588</u>	.	.	<u>553.2</u>
D) EXPLOITATION OF TIMBER RESOURCES	<u>2064</u>	.	<u>19,000</u>	<u>206.5</u>
E) EXPLOITATION OF RUSH BEDS ..	<u>52</u>	.	.	<u>6.0</u>
Total plant production	<u>15,262</u>	.	.	<u>4730.1</u>
F) LIVESTOCK BREEDING				
Slaughter of animals	-	-	2,870	933.9
Yard manure production	-	-	144,000	174.2
Accretion of livestock	-	-	-	297.0
Flesh yield of poultry	-	-	1,356	576.3
Egg yield	-	-	555	238.7
Milk yield (1000 Hl.)	-	-	7,863	513.0
Wool yield	-	-	16	10.8
Feather yield ...	-	-	47	37.5
Fishing	-	-	40	14.2
Game	-	-	.	4.0
Bee-keeping	-	-	13	13.0
Sericulture (coco-oon production in quintals) ..	-	-	5,000	2.8
Total of animal production	-	-	.	<u>2815.4</u>
TOTAL OF AGRICULTURAL PRODUCTION	.	.	.	<u>7545.5</u>

ESTIMATED PRODUCTION OF AGRICULTURE IN 1948/49

14.

Product	Land sown 1000 hectares	Average yield quintal per hectare	Total yields 1000 quintals	Total value in million forint
A) ARABLE LAND YIELD				
Wheat	2450	7.3	17,885	751.2
Rye	950	5.8	5,510	203.9
Barley	840	6.9	5,796	214.5
Oats	340	6.4	2,176	80.5
Maize	2110	10.6	22,366	710.6
Potatoes	525	38.0	19,950	428.9
Sugar-beet	125	85.0	10,625	242.3
Fodder-beet	170	105.0	17,850	52.7
Pulse, principal products	95	.	763	52.5
Pulse, by-products	740	.	359	24.7
Tobacco	37	7.2	266	63.7
Oleaginous plants principal products	387	.	1,955	126.2
Oleaginous plants by-products ...	500	.	350	23.0
Fibrous plants ..	38	.	788	17.7
Lucerne hay	374	22.0	8,228	117.7
Lucerne seeds ...	(80)	1.2	96	52.8
Other fodder crop (hay yield) ...	700	.	23,980	124.9
Kitchen garden and aromatic plants grown on arable land ...	155	.	.	286.9
Rice	19	14.0	266	34.6
Other plants	145	.	.	78.3
Straw and maize stalks	.	.	99,130	345.1
Fallow ground and withered crops	310	-	-	-
TOTAL ARABLE LAND YIELD	9770	.	.	4032.7
B) MEADOWS AND PASTURES				
Yield of meadows (hay)	1110	13.0	14,430	105.8
Hay value of grazing	.	.	25,083	158.0
TOTAL MEADOWS AND PASTURES	2787	.	39,513	263.8

Product	Land sown 1000 hectares	Average yield quintal per hectare	Total yields 1000 quintals	Total value in million forint
C) GARDENS AND VINEYARDS				
Kitchen garden plants (including melons) ...	208	.	7,477	138.9
Fruit (excluding grapes and melons)		.	1,800	90.0
Grapes	380	.	500	35.0
Wine (1000 Hl.) ..		8.9	3,400	340.0
GARDEN AND VINEYARDS TOTAL	588	.	.	603.9
D) EXPLOITATION OF TIMBER RESOURCES	2064	.	19,000	206.5
E) EXPLOITATION OF RUSH BEDS ..	53	.	.	6.0
<u>Total plant production</u>	<u>15,262</u>	.	.	<u>5112.9</u>
F) LIVESTOCK BREEDING				
Slaughter of animals	-	-	3,319	1080.6
Yard manure production	-	-	160,000	193.6
Accretion of livestock	-	-	-	359.0
Flesh yield of poultry	-	-	1,572	668.3
Egg yield	-	-	644	276.8
Milk yield (1000 Hl.)	-	-	8,877	579.4
Wool yield	-	-	20	13.9
Feather yield ...	-	-	54	43.5
Fishing	-	-	60	21.2
Game	-	-	.	5.0
Bee-keeping	-	-	17	17.0
Sericulture (cocoon production in quintals) ..	-	-	6,000	3.3
<u>Total of animal production</u>	-	-	.	<u>3261.6</u>
<u>TOTAL OF AGRICULTURAL PRODUCTION</u>	.	.	.	<u>8374.5</u>

ESTIMATED PRODUCTION OF AGRICULTURE IN 1949/50

16.

Product	Land sown 1000 hectares	Average yield quintal per hectare	Total yields 1000 quintals	Total value in million forint
A) ARABLE LAND YIELD				
Wheat	2400	7.5	18,000	756.0
Rye	900	6.0	5,400	199.8
Barley	920	7.1	6,532	241.7
Oats	330	6.5	2,145	79.4
Maize	2176	11.3	24,577	780.8
Potatoes	535	41.0	21,935	471.6
Sugar-beet	130	95.0	12,350	281.8
Fodder-beet	200	110.0	22,000	64.9
Pulse, principal products	120	.	1,015	69.8
Pulse, by-products	740	.	359	24.7
Tobacco	39	7.7	300	71.8
Oleaginous plants principal pro- ducts	274	.	1,381	91.2
Oleaginous plants by-products	500	.	350	23.0
Fibrous plants ..	40	.	824	18.5
Lucerne hay	384	24.0	9,216	131.6
Lucerne seeds ...	(80)	1.2	96	52.8
Other fodder crop (hay yield) ...	714	.	26,178	136.4
Kitchen garden and aromatic plants grown on arable land ...	180	.	.	345.9
Rice	22	14.0	308	40.0
Other plants	187	.	.	101.0
Straw and maize stalks	.	.	104,571	364.1
Fallow ground and withered crops	220	-	-	-
TOTAL ARABLE LAND YIELD	9770	.	.	4347.0
B) MEADOWS AND PASTURES				
Yield of meadows (hay)	1110	14.0	15,540	113.9
Hay value of grazing	.	.	27,870	175.6
TOTAL MEADOWS AND PASTURES	2787	.	43,410	289.5

Product	Land sown		Average yield		Total yields		Total value in million forint
	1000 hectares	quintal per hectare	1000 quintals	quintals	1000 quintals	quintals	
C) GARDENS AND VINEYARDS							
Kitchen garden plants (including melons) ...	208	.	8,461	158°2			
Fruit (excluding grapes and melons)		.	2,000	100°0			
Grapes	380	9°5	550	38°5			
Wine			3,600	360°0			
GARDEN AND VINEYARDS TOTAL ...	588	.	.	656°7			
D) EXPLOITATION OF TIMBER RESOURCES	2064	.	19,000	206°5			
E) EXPLOITATION OF RUSH BEDS ..	53	.	.	6°0			
Total plant production	15,262	.	.	5°05°7			
F) LIVESTOCK BREEDING							
Slaughter of animals	-	-	4,113	1339°8			
Yard manure production	-	-	178,000	215°4			
Accretion of livestock	-	-	-	462°0			
Flesh yield of poultry	-	-	1,831	778°4			
Egg yield	-	-	750	322°4			
Milk yield (1000 Hl.)	-	-	10,423	680°6			
Wool yield	-	-	26	18°0			
Feather yield ...	-	-	63	50°			
Fishing	-	-	80	28°2			
Game	-	-	.	6°0			
Bee-keeping	-	-	19	19°0			
Sericulture (cocoon production in quintals) ..	-	-	7,000	3°9			
Total of animal production	-	-	.	3924°4			
TOTAL OF AGRICULTURAL PRODUCTION	.	.	.	9430°1			

ESTIMATED PRODUCTION OF MINING AND MANUFACTURING

18.

Denomination	Quantity unit	1938		1947/48	
		quantity	value in 1000 forint	quantity	value in 1000 forint
MINING:					
Iron ore	1,000 t.	297	14,280	210	10,080
Bauxite	"	540	33,480	220	13,640
Manganese ore ..	"	16	2,782	18	3,150
Coal	"	9,340	579,080	9,300	576,600
Crude oil	"	43	7,276	540	91,800
Natural gas	1,000 m ³	8,103	486	100,000	6,000
Other mining products	value	...	5,000	...	7,200
Total:...	...	...	642,384	...	708,470
1938 = 100%	...	...	100.0%	...	110.2%
SMELTING:					
White and grey pig-iron	1,000 t.	335	157,450	360	169,200
Raw steel (including Martin and electro-steel)	"	647	353,500	660	343,200
Ferromanganese + ferro-alloys ..	tons	...	...	5,500	7,700
Total:...	...	...	510,950	...	520,100
1938 = 100%	...	...	100.0%	...	101.7%
IRON AND METAL INDUSTRY:					
Rolled goods ...	1,000 t.	350	399,000	360	410,400
Forged goods ...	"	40	76,000	45	85,500
Iron castings ..	"	60	159,000	60	159,000
Steel castings ..	"	18	135,000	18	135,000
Aluminium	tons	1,300	9,360	5,000	35,000
Aluminium semi-manufactured goods	"	1,600	22,400	3,000	42,000
Other semi-manufactured metal goods	"	27,000	189,000	8,300	58,100
Finished goods (consumers' goods of iron and metal, castings of aluminium, etc.)	value	...	287,090	...	263,112
Agricultural implements ...	"	...	15,600	...	26,000
Total:...	...	...	1,292,450	...	1,215,112
1938 = 100%	...	...	100.0%	...	94.0%

ESTIMATED PRODUCTION OF MINING AND MANUFACTURING

19.

Denomination	Quantity unit	1948/49		1949/50	
		quantity	value in 1000 forint	quantity	value in 1000 forint
MINING:					
Iron ore	1,000 t.	240	11,520	280	13,440
Bauxite	"	300	18,600	400	24,800
Manganese ore ..	"	24	4,200	32	5,600
Coal	"	10,200	632,400	11,550	716,100
Crude oil	"	600	102,000	660	112,200
Natural gas	1,000 m ³	175,000	10,640	175,000	10,640
Other mining products	value	...	7,200	...	7,200
Total:...	...	...	786,560	...	889,980
1938 = 100%	...	...	122.4%	...	138.5%
SVELTING:					
White and grey pig-iron	1,000 t.	390	183,300	420	197,400
Raw steel (including Martin and electro-steel)	"	725	391,200	800	446,400
Ferromanganese + ferro-alloys ..	tons	6,500	9,100	8,000	11,200
Total:...	...	...	583,600	...	655,000
1938 = 100%	...	...	114.2%	...	128.1%
IRON AND METAL INDUSTRY:					
Rolled goods ...	1,000 t.	400	456,000	450	513,000
Forged goods ...	"	50	95,000	50	95,000
Iron castings ..	"	60	159,000	60	159,000
Steel castings ..	"	20	150,000	24	180,000
Aluminium	tons	9,000	64,800	12,000	86,400
Aluminium semi-manufactured goods	"	4,000	56,000	5,000	70,000
Other semi-manufactured metal goods	"	10,000	70,000	13,000	91,000
Finished goods (consumers' goods of iron and metal, castings of aluminium, etc.)	value	...	408,215	...	541,600
Agricultural implements ...	"	...	40,000	...	48,000
Total:...	...	...	1,499,015	...	1,784,090
1938 = 100%	...	...	115.9%	...	138.0%

ESTIMATED PRODUCTION OF MINING AND MANUFACTURING

20.

Denomination	Quantity unit	1938		1947/48	
		quantity	value in 1000 forint	quantity	value in 1000 forint
MANUFACTURE OF MACHINES:					
Machine tools ..	pieces	...	4,939	1,400	60,000
Wagons	"	...	104,000	4,500	270,000
Locomotives	"	...	35,200	120	144,000
Motor lorries ..	"	...	88,000	600	30,000
Tractors	"	...	20,000	1,300	36,400
Ships	value	...	30,000	...	40,000
Agricultural machinery, of which			30,400		44,000
Threshing mach.	pieces	...	...	100	...
Sowing machines	"	...	...	1,000	...
Selectors	"	...	...	600	...
Horse-drawn ploughs	"	...	...	25,000	...
Tractor-"	"	...	...	500	...
Horse-drawn harrows	"	...	...	10,000	...
Tractor-"	"	...	...	500	...
Hoeing machines	"	...	...	15,000	...
Bicycles	"	...	44,520	80,000	48,000
Motorcycles	"	...	4,080	4,000	9,200
Electric industry	value	...	380,000	...	335,000
General machinery	"	...	765,220	...	570,000
Total:...	...	...	1,506,359	...	1,586,600
1938 = 100%	...	...	100.0%	...	105.3%
GENERATION OF ELECTRIC POWER:					
Electric current	million kw.h.	1,399	492,300	1,600	563,000
1938 = 100%	...	...	100.0%	...	114.4%
BUILDING MATERIAL INDUSTRY:					
Bricks	1,000 pieces	547,870	...	250,000	...
Tiles, slates, etc used for roofing	1000 m ²	14,000	...	11,700	...
Cement	1,000 t.	339	...	200	...
Firebricks	"	60	...	24	...
Glazed tiles, pottery, sanitary ware ...1/...	"	10	...	6	...
Total:...	...	...	400,000	...	275,000
1938 = 100%	...	...	100.0%	...	68.7%
GLASS INDUSTRY:					
Plate glass	1,000 m ²	1,600	...	4,500	...
Glass recipients	1,000 t.	14	...	15	...
Total:...	...	...	84,000	...	140,000
1938 = 100%	...	...	100.0%	...	166.7%

1/ - Including other building materials (lime, stone, etc.).

ESTIMATED PRODUCTION OF MINING AND MANUFACTURING

21.

Denomination	Quantity unit	1948/49		1949/50	
		quantity	value in 1000 forint	quantity	value in 1000 forint
MANUFACTURE OF MACHINES:					
Machine tools ..	pieces	1,600	70,000	2,100	90,000
Wagons	"	5,500	330,000	6,500	390,000
Locomotives	"	140	168,000	160	192,000
Motor lorries ..	"	900	45,000	1,000	50,000
Tractors	"	3,000	84,000	3,700	103,600
Ships	value	...	90,000	...	100,000
Agricultural machinery, of which:					
Threshing mach.	pieces	150	61,000	200	85,000
Sowing machines	"	1,500	...	1,500	...
Selectors	"	700	...	700	...
Horse-drawn ploughs	"	25,000	...	25,000	...
Tractor-"	"	1,000	...	1,500	...
Horse-drawn harrows	"	10,000	...	10,000	...
Tractor-"	"	1,000	...	1,500	...
Hoeing machines	"	15,000	...	15,000	...
Bicycles	"	100,000	60,000	120,000	72,000
Motorcycles	"	5,000	11,500	6,000	13,800
Electric industry	value	...	435,000	...	540,000
General machinery	"	...	702,000	...	836,000
Total:...	...	...	2,056,500	...	2,472,400
1938 = 100%	...	...	136.5%	...	164.1%
GENERATION OF ELECTRIC POWER:					
Electric current	million kw.h.	1,800	633,500	2,000	703,800
1938 = 100%	...	...	128.7%	...	142.9%
BUILDING MATERIAL INDUSTRY:					
Bricks	1,000 pieces	350,000	...	500,000	...
Tiles, slates, etc used for roofing	1,000 m ²	14,000	...	18,000	...
Cement	1,000 t.	250	...	370	...
Firebricks	"	35	...	43	...
Glazed tiles, pottery, sanitary ware ... 1/.	"	9	...	11	...
Total:...	...	...	350,000	...	425,000
1938 = 100%	...	...	87.5%	...	106.3%
GLASS INDUSTRY:					
Plate glass	1,000 m ²	4,500	...	5,000	...
Glass recipients	1,000 t.	17	...	18	...
Total:...	...	...	160,000	...	180,000
1938 = 100%	...	...	190.5%	...	214.3%

1/ - Including other building materials (lime, etc., etc., gravel, stone, etc.).

ESTIMATED PRODUCTION OF MINING AND MANUFACTURING

22.

Denomination	Quantity unit	1938		1947/48	
		quantity	value in 1000 forint	quantity	value in 1000 forint
WOOD INDUSTRY:	value	...	352,500	...	291,650
1938 = 100%	...	...	100.0%	...	82.6%
PAPER INDUSTRY:					
Manufacture of paper	tons	49,540	117,000	38,000	90,000
Processing of paper	value	...	104,000	...	56,000
Total:...	...	...	221,000	...	146,000
1938 = 100%	...	...	100.0%	...	66.0%
PRINTING INDUSTRY	value	...	202,000	...	142,000
1938 = 100%	...	...	100.0%	...	70.3%
LEATHER INDUSTRY:					
Leather processing	value	...	348,000	...	163,250
Processing of furs	"	...	63,800	...	50,900
Diverse	"	...	69,600	...	18,500
Total:...	...	...	481,400	...	232,650
1938 = 100%	...	...	100.0%	...	48.3%
TEXTILE INDUSTRY:					
Cotton cloth ...	1,000 m	185,000	1,295,000	185,000	1,295,000
Woollen cloth ..	"	14,000	504,000	14,000	504,000
Artificial silk cloth	"	16,000	288,000	12,000	144,000
Hemp, flax	"	11,000	176,000	5,000	80,000
Jute sacking ...	"	6,000	62,000	2,250	23,000
Silk stockings .	1000 doz.	840	84,000	500	50,000
Cotton stockings	"	2,500	100,000	2,500	100,000
Knitted ware ...	1,000 kg.	4,440	150,000	3,480	110,000
Diverse	value	...	212,000	...	130,000
Total:...	...	...	2,871,500	...	2,436,000
1938 = 100%	...	...	100.0%	...	84.8%
WEARING APPAREL INDUSTRY:					
Leather footwear	1,000 pairs	3,500	297,500	3,000	255,000
Sandals and other rubber-soled footwear	"	1,200	96,000	360	28,800
Other wearing apparel	value	...	238,300	...	166,810
+ Total:...	...	...	631,800	...	450,610
1938 = 100%	...	...	100.0%	...	71.4%

+ / The output of shoes of the artisan industry must be added to that of the factories. This is estimated as follows in the Three Year Plan in comparison to the 1938 output: 1938: 1.2 million pairs, 132 million forint; 1947/48: 1.2 million pairs, 132 million forint; 1948/49: 1.4 million pairs, 154 million forint; 1949/50: 1.6 million pairs, 176 million forint.

ESTIMATED PRODUCTION OF MINING AND MANUFACTURING

23.

Denomination	Quantity unit	1948/49		1949/50	
		quantity	value in 1000 forint	quantity	value in 1000 forint
WOOD INDUSTRY:...	value	...	365,500	...	413,000
1938 = 100%	...	...	103.7%	...	117.2%
PAPER INDUSTRY:					
Manufacture of paper	tons	50,000	118,000	60,000	141,600
Processing of paper	value	...	80,000	...	104,000
Total:...	...	...	198,000	...	245,600
1938 = 100%	...	...	89.6%	...	111.1%
PRINTING INDUSTRY	value	...	182,000	...	216,000
1938 = 100%	...	...	90.0%	...	106.9%
LEATHER INDUSTRY:					
Leather processing	value	...	260,750	...	349,500
Processing of furs	"	...	72,600	...	96,500
Diverse	"	...	25,500	...	47,700
Total:...	...	...	358,850	...	493,700
1938 = 100%	...	...	74.5%	...	102.6%
TEXTILE INDUSTRY:					
Cotton cloth ...	1,000 m	215,000	1,505,000	250,000	1,750,000
Woollen cloth ..	"	18,000	648,000	21,000	756,000
Artificial silk cloth	"	17,000	204,000	22,000	264,000
Hemp, flax	"	10,000	160,000	12,000	192,000
Jute sacking ...	"	2,500	26,000	3,000	32,000
Silk stockings .	1000 doz.	600	60,000	840	84,000
Cotton stockings	"	2,600	114,000	3,000	120,000
Knitted ware ...	1,000 kg.	4,200	132,500	5,250	178,000
Diverse	value	...	180,000	...	225,000
Total:...	...	...	3,029,500	...	3,601,000
1938 = 100%	...	...	107.5%	...	125.4%
WEARING APPAREL INDUSTRY:					
Leather footwear	1,000 pairs	4,200	356,000	4,800	408,000
Sandals and other rubber-soled footwear	"	480	32,400	600	48,000
Other wearing apparel	value	...	238,300	...	285,960
+/ Total:...	...	...	626,700	...	741,960
1938 = 100%	...	...	99.3%	...	117.4%

+/ See footnote on the table N° 22.

ESTIMATED PRODUCTION OF MINING AND MANUFACTURING

24.

Denomination	Quantity unit	1938		1947/48	
		quantity	value in 1000 forint	quantity	value in 1000 forint
<u>AGRICULTURAL INDUSTRY:</u>					
Flour (including milling tithe)	1,000 t.	989	1,160,000	1,050	833,000
Other milling products	value	...		...	192,000
Vegetable oil ..	1,000 t.	19	65,000	60	200,000
Sugar	"	100	380,000	129	490,200
Canned vegetables	"	26	362,000	76	337,000
Canned meat	"	30		22	
Spirits	1000 Hl.	...	99,999	200	80,000
Beer	"	500	100,000	300	60,000
Dairy products .	value	...	426,000	...	160,000
Tobacco	1,000 t.	...	520,000	18	400,000
Diverse	value	...	590,000	...	549,000
Total:...	...	...	3,702,000	...	3,301,200
1938 = 100%	...	...	100.0%	...	89.2%
<u>CHEMICAL INDUSTRY</u>					
Alumina	1,000 t.	7	8,610	18	22,140
Caustic natron .	tons	2,700	5,310	4,500	8,820
Soap	1,000 t.	20	99,000	10	49,185
Superphosphates.	"	43	15,050	40	14,000
Artificial fertilizer from the Pét factory	"	37	22,200	30	18,000
Bone-dust manure	tons	350	150	300	129
Hydrochloric acid	"	7,400	4,736	5,500	3,520
Sulphuric acid .	1,000 t.	45	36,000	26	20,000
Nitric acid	tons	3,000	11,550	--	--
Paint industry .	value	...	71,640	...	77,400
Lighting gas ...	"	...	147,245	...	103,050
Diverse	"	...	572,913	...	450,000
Rubber industry	"	...	150,000	...	80,000
<u>Processing of oil:</u>					
Petrol	1,000 t.	70	39,851	150	85,395
Petroleum	"	95	40,223	125	52,925
Gas oil	"	49	21,109	75	32,310
Diesel oil not subject to further processing	"	45	10,944	72	17,510
Lubricants	"	24	62,880	45	117,900
Total:...	...	...	1,319,411	...	1,153,034
1938 = 100%	...	...	100.0%	...	87.4%

ESTIMATED PRODUCTION OF MINING AND MANUFACTURING

25.

Denomination	Quantity unit	1948/49		1949/50	
		quantity	value in 1000 forint	quantity	value in 1000 forint
AGRICULTURAL IN- DUSTRY:					
Flour (including milling tithe)	1,000 t.	1,250	984,000	1,250	984,000
Other milling products	value	...	247,000	...	265,000
Vegetable oil ..	1,000 t.	44	150,000	39	130,000
Sugar	"	130	494,000	145	551,000
Canned vegetables	"	92	383,000	110	440,000
Canned meat	"	26		21	
Spirits	1000 Hl.	240	96,000	280	112,000
Beer	"	350	70,000	400	80,000
Dairy products .	value	...	180,000	...	200,000
Tobacco	1,000 t.	23	520,000	27	580,000
Diverse	value	...	636,000	...	696,000
Total:...	...	...	3,760,000	...	4,038,000
1938 = 100%	...	...	101.5%	...	109.0%
CHEMICAL INDUSTRY					
Alumina	1,000 t.	30	36,900	90	110,700
Caustic natron .	tons	6,000	11,745	6,000	11,745
Soap	1,000 t.	18	88,785	22½	110,520
Superphosphates	"	70	24,500	100	35,000
Artificial fer- tilizer from the Pét factory	"	80	48,000	80	48,000
Bone-dust manure	tons	300	129	350	150
Hydrochloric acid	"	6,500	4,160	7,600	4,864
Sulphuric acid .	1,000 t.	38	30,400	45	36,000
Nitric acid	tons	1,500	5,775	3,300	12,705
Paint industry .	value	...	84,000	...	108,000
Lighting gas ...	"	...	125,145	...	147,240
Diverse	"	...	495,000	...	585,000
Rubber industry	"	...	110,000	...	140,000
Processing of oil:					
Petrol	1,000 t.	171	97,350	198	111,721
Petroleum	"	142	60,123	165	69,861
Gas oil	"	85	36,618	100	43,080
Diesel oil not subject to fur- ther processing	"	60	14,502	48	11,674
Lubricants	"	80	209,600	100	262,000
Total:...	...	...	1,482,822	...	1,849,250
1938 = 100%	...	...	112.5%	...	140.2%

SUMMARY OF ESTIMATES

26.

OF MINING AND MANUFACTURING PRODUCTION UNDER THE THREE YEAR PLAN

	1938	1947/48	1948/49	1949/50
	Value in 1,000 forint			
Mining	642,384	708,470	786,560	889,980
1938 = 100	100°0	110°2	122°4	138°5
Smelting	510,950	520,100	583,600	655,000
1938 = 100	100°0	101°7	114°2	128°1
MINING AND SMELTING TOTAL:	1,153,334	1,228,570	1,370,160	1,544,980
	100°0	106°5	118°7	133°9
Iron and steel industry	1,292,450	1,215,112	1,499,015	1,784,090
1938 = 100	100°0	94°0	115°9	138°0
Manufacture of machines	1,506,359	1,586,600	2,056,500	2,472,400
1938 = 100	100°0	105°3	136°5	164°1
Generation of electric power	492,300	563,000	633,500	703,800
1938 = 100	100°0	114°4	128°7	142°9
Building material industry	400,000	275,000	350,000	425,000
1938 = 100	100°0	68°7	87°5	106°3
Glass industry	84,000	140,000	160,000	180,000
1938 = 100	100°0	166°7	190°5	214°3
Wood industry	352,500	291,650	365,500	413,000
1938 = 100	100°0	82°6	103°7	117°2
Paper industry	221,000	146,000	193,000	245,000
1938 = 100	100°0	66°0	89°6	111°1
Printing industry	202,000	142,000	182,000	216,000
1938 = 100	100°0	70°3	90°0	106°9
Leather industry ..	481,400	232,650	358,850	493,700
1938 = 100	100°0	48°3	74°5	102°6
Textile industry ..	2,871,500	2,436,000	3,029,500	3,601,000
1938 = 100	100°0	84°8	107°5	125°4
Clothing industry ..	631,800	450,610	626,700	741,960
1938 = 100	100°0	71°4	99°2	125°4
Agricultural industry	3,702,000	3,301,200	3,760,000	4,038,000
1938 = 100	100°0	89°2	101°5	109°0
Chemical industry ..	1,317,411	1,153,684	1,482,822	1,849,260
1938 = 100	100°0	87°4	112°5	140°2
TOTAL MANUFACTURING 1938 = 100	13,556,720	11,932,906	14,702,387	17,163,810
	100°0	88°3	108°5	127°0

GROWTH OF THE NATIONAL INCOME
DURING THE THREE YEARS COVERED BY THE PLAN
AS COMPARED TO THAT OF 1938 AND 1946/47, RESPECTIVELY

27.

Items of national revenue	1938+	1946/7	1947/8	1948/9	1949/50
	million forint (1947 January prices)				
Gross value of agricultural production	10,266	5,760	7,248	8,015	8,968
Accretion of livestock	168	182	297	359	462
Total production	10,434	5,942	7,545	8,374	9,430
Agricultural products consumed	3,114	1,657	2,014	2,184	2,435
Industrial products consumed++/	410	254	319	377	442
Renewal of machinery and instruments	90	67	97	114	134
<u>I. Net contribution of agriculture</u>	6,820	3,964	5,115	5,699	6,418
Gross value of mining and smelting	1,153	1,083	1,229	1,370	1,545
Materials consumed ++/.....	495	385	434	486	560
Renewal of installations	84	63	98	114	132
<u>II. Net contribution of mining and smelting</u>	574	635	697	770	853
Gross value of production of manufacturing and power generation	13,557	8,812	11,933	14,702	17,163
Materials consumed ++/.....	6,637	4,453	5,822	7,169	8,344
Renewal of installations	404	252	292	328	362
<u>III. Net contribution of manufacturing and power generation</u>	6,516	4,107	5,819	7,205	8,457
<u>IV. Contribution of handicraft industry</u>	3,229	2,062	2,509	3,003	3,445
<u>V. Commerce</u>	2,210	1,408	1,786	2,141	2,477
<u>VI. Transport</u>	728	463	609	714	819
<u>VII. Price raising taxes</u>	1,546	1,350	1,712	2,053	2,375
<u>VIII. Use of lodgings</u>	674	650	667	701	719
<u>IX. Other items</u>	220	102	115	128	142
<u>TOTAL NATIONAL REVENUE</u>	22,517	14,741	19,029	22,414	25,705
1938 = 100	100°0	65°5	84°5	99°5	114°2
1946/47 = 100	--	100°0	129°1	152°1	174°4

+/ In the case of agriculture, the data for 1938 are replaced by those for 1938/39.

++/ Together with the material requirements for maintenance.

DEVELOPMENT OF GOODS
AVAILABLE FOR INLAND CONSUMPTION DURING THE THREE YEAR PLAN,
AS COMPARED TO THE SITUATION IN 1938 AND 1946/47

Denomination	1938	1946/7	1947/8	1948/9	1949/50
	million forint (1947 January prices)				
National revenue	22,517	14,741	19,029	22,414	25,705
Material expenses of public bodies	2,830	1,648	1,750	1,850	2,000
National liabilities	--	1,397	1,199	1,470	1,684
Investments	1,205	530	1,796	2,185	2,604
Accretion of livestock capital	168	182	297	359	462
Value of goods available for inland consumption 1/	18,314	10,988	13,987	16,550	18,945
1938 = 100	100°0	60°0	76°4	90°4	103°4
1946/47 = 100	--	100°0	127°3	150°6	172°4

1/ - Without deduction of the anticipated increase in the value of stocks.

FINANCIAL SOURCES

29.

COVERING INVESTMENTS PROJECTED IN THE THREE YEAR PLAN

Year and destination	Total	State & State enterprises 1/-	Other public bodies 1/-	Foreign 2/-	Co-operative Societies	Private
Investments in million forint						
<u>1947/48:</u>						
Agriculture	579·4	476·0	34·7	--	27·1	41·6
Industry	554·0	417·9	43·9	36·3	1·4	54·5
Communication	427·3	328·3	75·9	6·2	2·2	14·8
Building	235·3	104·3	115·1	--	5·4	10·5
<u>Total:...</u>	<u>1796·0</u>	<u>1326·5</u>	<u>269·6</u>	<u>42·5</u>	<u>36·0</u>	<u>121·4</u>
<u>1948/49:</u>						
Agricultur	651·0	431·9	66·3	--	67·6	85·2
Industry	599·0	418·2	68·0	44·5	1·7	66·6
Communications	560·0	439·4	90·3	8·6	4·2	17·5
Building	375·0	148·6	179·7	--	16·9	29·8
<u>Total:...</u>	<u>2185·0</u>	<u>1438·1</u>	<u>404·3</u>	<u>53·1</u>	<u>90·4</u>	<u>199</u>
<u>1949/50:</u>						
Agriculture	769·6	450·1	96·1	--	113·3	110·1
Industry	592·0	403·1	46·6	49·2	2·1	91·0
Communications	688·7	537·5	117·8	6·3	6·0	21·1
Building	553·7	231·6	241·2	--	32·7	48·2
<u>Total:...</u>	<u>2604·0</u>	<u>1622·3</u>	<u>501·7</u>	<u>55·5</u>	<u>154·1</u>	<u>270·4</u>
<u>TOTAL FOR THREE YEARS:</u>						
Agriculture	2000·0	1358·0	197·1	--	208·0	236·9
Industry	1745·0	1239·2	158·5	130·0	5·2	212·1
Communications	1676·0	1305·2	284·0	21·1	12·3	53·4
Building	1164·0	484·5	536·0	--	55·0	88·5
<u>Total:...</u>	<u>6585·0</u>	<u>4386·9</u>	<u>1175·6</u>	<u>151·1</u>	<u>280·5</u>	<u>590·9</u>

1/ - Investments of towns, counties, communities and health insurance institutes figure in this column.

2/ - The anticipated contributions of the USSR, in connection with the investments in the so-called Hungarian-Soviet mixed enterprises (enterprises created by virtue of the Hungarian-Soviet Trade Agreement of August 1945) figure in this column.